



Daily Report

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Daily Report

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General

Li Lanqing Attends New Delhi Forum on Education

Addresses Forum

OW1612173093 Beijing XINHUA in English 1621
GMT 16 Dec 93

[Text] New Delhi, December 16 (XINHUA)—Chinese Vice Premier Li Lanqing said that "daunting difficulties" are still confronting China as it tries to universalize its basic education despite the achievements made in the past four decades.

Speaking at the one-day summit of the nine high population countries, Li said that remarkable results have been achieved in universal primary education and literacy education in China over the past 40 years.

China's total literacy rate is 84.1 percent now as compared with a lamentable 20 percent in early 1950s, Li said, adding that universalization rate of primary education is 91 percent.

"Notwithstanding all this, daunting difficulties are still confronting us as we try to move ahead more rapidly with our efforts for basic education and literacy campaigns," the vice premier said.

He said that the results of these efforts vary to a large extent in China, a huge country with 80 percent of its population living in rural areas and many in remote underdeveloped areas.

"It is a herculean task to universalize basic education and eradicate illiteracy in these areas which are geographically disadvantaged and deficient in infrastructure development," Li said.

However, he said, the Chinese Government is determined to speed up the development of basic and literacy education because the development of human resources is no less important than that of natural resources.

Long-term and sustainable economic development will only be possible with a well-founded education system and well-educated people, Li noted.

He appealed to the international organizations to provide high population developing countries with more financial assistance.

Signs Educational Declaration

OW1612173893 Beijing XINHUA in English 1711
GMT 16 Dec 93

[Text] New Delhi, December 16 (XINHUA)—The nine-nation Education-for-All (EFA) summit concluded here this evening with the adoption of a significant declaration.

A framework of action was also adopted along with the declaration, which was signed by Indian Prime Minister Narasimha Rao, Indonesian President Suharto, Chinese Vice Premier Li Lanqing and the representatives of the other six participating countries.

The summit attended by the nine high population developing countries in the world—Bangladesh, Brazil, China, Egypt, Indonesia, India, Mexico, Nigeria and Pakistan, were described widely here as "a historical event" and "a turning point" in the strive for education for all.

In the Delhi declaration, the leaders of these nations reaffirmed their commitment to meet the basic learning needs of all their people by making primary education universal.

The declaration says that the aspirations and development goals can be fulfilled only by assuring education to the people.

It recognizes that education is the pre-eminent means for promoting universal human values, the quality of human resources and the respect for cultural diversity.

The declaration has a separate clause for women's education, stressing that the education and empowerment of girls and women are important goals in themselves and are key factors in contributing to social development, well being and education of present and future generations.

Chances should be expanded for women to develop their full potential.

The leaders pledged in the declaration that a place will be ensured for every child in a school or appropriate education program according to his or her capabilities.

They promised that they will rally all sectors of the society towards education for all and improve the quality and relevance of basic education programs by intensifying efforts to improve the status, training and conditions of teachers.

The declaration also called upon international collaborators and international financial institutions to raise substantially their support for efforts of expanding and improving basic education services in developing countries.

Meets Indonesian President

OW1612174493 Beijing XINHUA in English 1714
GMT 16 Dec 93

[Text] New Delhi, December 16 (XINHUA)—Chinese Vice Premier Li Lanqing called on Indonesian President Suharto here this afternoon.

The two, who are here for the one-day Education-for-All summit attended by the nine high population countries in the world, exchanged views on bilateral relations and Asian-Pacific economic cooperation.

Suharto said that friendly ties, especially the economic and trade relations between Indonesia and China, have been developing very rapidly.

He believed that China and the ASEAN nations will make greater economic achievement by the year 2000.

Li Lanqing, who also takes care of China's trade relations with other countries, said that bilateral trade between China and Indonesia has already reached the mark of two billion U.S. dollars and will surpass the figure this year.

He said that the two countries' economies are mutually complimentary and they can learn from each other.

Suharto said that the recent summit of Asian-Pacific Economic Cooperation (APEC) will certainly give a push to the future economic development of the region.

In this context, Indonesia and China must strengthen exchanges and cooperation, the president said.

Li agreed with the Indonesian leader, saying that the two countries should not only cooperate in the economic field but also in the educational field.

He also expressed the hope that the tremendous Asian market would be an open one as well.

UN Sponsors Cooperation Forum in Heilongjiang

SK1512140793 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 14 Dec 93

[Text] In Heihe city on 14 December, the Development Assistance and Management Service Department of the United Nations and the Heilongjiang provincial people's government cosponsored an international symposium on developing transregional special economic zones.

Gathering at Heihe port, covered with snow, to jointly discuss the great matter concerning the transnational regional economic cooperation were representatives Mr. Izbal Riza, deputy secretary general of the United Nations; Mr. (Mai Shanglong), vice chairman of the Development Assistance and Management Service Department; Mr. (Yunikawa Nuchuanbaoshen), Mr. (Robert Suisiquiribo), Mr. (Fujimoto), Mr. (Sun Sheng), and Mr. (Ito), officials of the United Nations; and representatives from 12 countries and regions, including Bulgaria, Belarus, Croatia, and Japan. Also present at the symposium were a delegation of the embassies to China, headed by Counselor (Moyuxieyev); and a 12-member delegation headed by (Qiyaoqinke), first head of Amur Oblast of the Russian Federation. Attending the symposium were leaders, specialists, and scholars from the state planning committee, the state economic restructuring committee, the development research center of the State Council, the research office of the State Council, the office in charge of the special zones, the Ministry of Foreign Affairs, the (Zhongxing) International Research Institute, and Beijing University; leaders of Heilongjiang Province, Harbin city, Heihe city, and

Suifenhe city; and specialists and scholars of the departments concerned. Sun Weiben, secretary of the Heilongjiang Provincial party committee, attended the opening ceremony.

On behalf of Iqbal Riza, deputy secretary general of the United Nations, (Maishanglong) made an opening speech at the symposium. Wang Zongzhang, vice governor of Heilongjiang Province; and Cao Zhen, secretary of the Heihe city party committee, respectively made welcome speeches.

(Maishanglong) said: One of the major indicators for the achievements in the economic reform is the open type of economy. We should use foreign capital and foreign advanced sciences and technologies to stimulate exports and to promote the realization of modernization. One of the measures that the government departments should take to realize these targets is to set up special economic zones. These special zones will be used as laboratories for the reform work characterized by market. He believed that this symposium will make real achievements.

At the symposium, Sun Weiben made a speech entitled "Carrying Out the Strategy of Making a Partial Breakthrough Is a Real Choice To Promote the Economic Cooperation Among Northeast Asian Countries."

(Mulouwanjin), representative of the Russian International Cooperation Office, and representatives of some countries, including Belarus, made special reports at the symposium.

Sun Weiben maintained that internationalizing and regionalizing the market economy is suitable to the historical trend of the socialized mass production law. He expounded the reality in which the countries in Northeast Asia cannot but take the only road of making a partial breakthrough if they want to develop transnational economic cooperation. He said: The countries in Northeast Asia have many favorable conditions for developing economic cooperation. First, there are many large and powerful countries in Northeast Asia. These countries have gradually improved their mutual relations. Second, these countries are economically supplementary with one another. Third, these countries are continuing to expand the pace of opening and to strengthen their understanding about cooperation.

Sun Weiben maintained that rapidly promoting the transnational economic cooperation between Heilongjiang and the Far East Area and the border areas of the Russian Federation is a breakthrough as well as a real choice to promote the economic cooperation among Northeast Asian countries. He said: Heihe and Suifenhe cities have essential conditions for making a breakthrough in developing the cooperation ties first with the cities of the Russian Federation that are in opposite to them. First of all, Heihe and Suifenhe have prominent geographic advantages to develop cooperation with the cities of the Far East Area of the Russian Federation that are in opposite to them. Second, an embryonic form of

setting up the transnational border economic cooperation zones by these two city ports and their opposite ports has taken shape. Third, both sides have common aspirations and vitality to build border free trade areas. Thus, the Chinese and Russian local governments and people are enthusiastically making efforts to promote the establishment of these two free trade areas. We believe that the establishment of the free trade areas will enjoy the support of the central authorities of the two countries and the assistance of the United Nations.

UN Official Discusses Trade

SK1712005193 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 15 Dec 93

[Text] Heihe city is located on the north border of China and next to Russia. Judging from the historic economic and trade contacts with Russia, the city is qualified for establishing a transnational special economic zone. This is the major content of the speech made by Mr. (Mai Shanglong), representative of Iqbal Riza, deputy secretary general of the United Nations, in an interview granted to our station reporter on 15 December.

Mr. (Mai) contended that Heilongjiang Province should play an important role in realizing peace and stability in Northeast Asia. The province and neighboring Russia are greatly supplementing each other economically. If the province establishes a special economic zone or a free trade zone with the maritime kray of Russia based on their historic economic and trade contacts and on their superior geographical positions, the role played by the special economic zone in promoting the economic development of border areas between China and Russia will be great. The well planned and meaningful project of Heihe city in Heilongjiang Province with regard to establishing a special China-Russia economic zone represents an idea of foresight.

Mr. (Mai) said: He is convinced that a transnational free trade zone will not only promote economic development but also create a peaceful and stable environment for China and its neighboring countries. He pointed out: The establishment of a special economic zone represents one of the important measures for the country that is turning its planned economy into a market one to accelerate its transformation and its pace in developing the market economy.

In answering a question raised by the reporter during the interview on whether the mutual economic supplement between China and Russia will be weakened along with the imports of commodities produced by some other countries because the current Russian markets are very attractive to many countries, Mr. (Mai Shanglong) said: Many countries in the world are contending for Russian markets. However, their enterprises seeking markets in Russia are of large-scale industries; of industries of high, precise, and advanced technologies; and of industries that have turned their military production into civilian one. (Mai Shanglong) said: China should occupy the

markets of light industrial commodities and daily commodities because Western countries are not interested in these markets on a short-term basis. During his visit to Moscow, he noticed that garment and shoe commodities processed by the township enterprises of China are cheaper in price and not better in quality. If China fails to improve this shortcoming, not only the Western countries but also the ROK, Taiwan, Hong Kong, Thailand, and the Philippines will be able to replace China in these markets because they have achieved very fast development in market management and sold their light industrial commodities in a planned manner to Russia. China should do so in this regard and by no means should it solely rely on its geographical strong points. The key to China finding a remedy in this regard lies in upgrading the quality of its commodities.

Symposium Concludes

SK1712043393 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 16 Dec 93

[Text] The international symposium on developing transregional special economic zones, which ended on 16 December, expressed appreciation for the enthusiasm of the Chinese and Russian sides for framing a plan for building the free economic and trade zones of China's Heihe and the Russian Federation's Amur, which are in the stage of operation and maintained that the plan is feasible and plays an exemplary role for other countries in building transnational special economic and trade zones.

At the three-day symposium, specialists from 14 countries exchanged experiences in pioneering ways for building special economic zones gained by the developing countries and the countries that are restructuring their economy; explored the theories and practice of pioneering ways for building special economic zones; comprehensively analyzed the special economic zones' patterns, development orientation, plans, and functions; and simultaneously discussed the issues concerning the explorations for building Heihe and Amur transnational free economic and trade zones. The participants reached a common understanding. The symposium maintained that pioneering ways for building and developing special economic zones is conducive to promoting the fast development of the regional economy, speeding up the transition to the market economy, merging the regional economy into the international economy, and promoting regional peace and stability.

The specialists from various countries participating in the symposium unanimously maintained that both China's Heihe and Suifenhe and the Russian Federation's Amur and Pogranichnyy have basic conditions like geographic conditions, infrastructural facilities, resource environments, cooperation foundation, and human factors for building transnational free economic and trade zones.

Commentary on GATT Pact, China's Bid To Join
HK1712090893 Beijing CHINA DAILY in English
17 Dec 93 p 4

[CHINA DAILY Commentary: "Uruguay Round"]

[Text] The Uruguay Round of global trade talks has finally come to a conclusion after the United States and European Union, the world's two biggest traders, reached a last minute comprehensive agreement.

The success of the Uruguay Round of multilateral talks will have an enormous impact on world trade.

The new package will spare the world a trade war and rampant protectionism. Under it, outdated world trade rules will be recast and duties on imported goods lowered. All this will greatly enhance investor confidence and expand world markets.

It is also estimated that the world economy will benefit by more than \$200 billion annually as a result of the package.

Meanwhile, more harmonious trade relations are bound to result in greater goodwill and friendliness—a most desirable thing to all nations.

The Uruguay Round of trade negotiations had dragged on for seven years before the deal was finally struck. The successful conclusion is no small feat given the variety and often conflicting interests of the more than 100 members.

No agreement would have been possible if all parties involved, particularly the world's more influential ones, had not made concessions.

That the Uruguay Round finally succeeded indicates that all parties realized their own positive action to reconcile the conflicting interests was, in the long run, in everyone's interests, including their own.

Should this spirit pervade negotiations over disputes in other fields, the world would be a much more stable and peaceful place.

China is pleased about the conclusion of the Uruguay Round not only because of the good it will do to the global economy, but also because it will create a stable international environment for China's economy, which is undergoing structural reform and rapidly expanding.

China favours the strengthening of a multilateral trade system and opposes unilateral trade retaliation and protectionism—a stand that conforms to the purpose of the Uruguay Round.

Participating in the Round's talks, China duly performed its duties by submitting an initial offer list on trade in services and an offer list on tariff concessions on agricultural and non-agricultural products.

China helped in the smooth conclusion of the negotiations. And China will make necessary policy readjustments for the implementation of the accord.

However, to sign the package, China must first be allowed to resume its status as a contracting party to the General Agreement on Tariffs and Trade.

China is making efforts to this end. It is hoped that the other signatory parties will support China's efforts to join the multilateral trade organization. Together they can work for the better implementation of the Round's accord.

Tianjin Delegation Departs for ROK, Malaysia

SK1412095593 Tianjin TIANJIN RIBAO in Chinese
5 Dec 93 p 1

[Text] The Tianjin municipal people's government delegation headed by Mayor Zhang Lichang left the municipality on 4 December for the ROK and Malaysia to pay a friendly visit in an effort to push forward in an overall way the municipal program of opening up, to extensively attract foreign businessmen to invest their money in Tianjin, to accelerate the development of the national economy in the municipality, and particularly to enhance the economic cooperation and friendly contacts between the municipality and the ROK and Malaysia. When it was leaving the municipality the delegation was seen off at the airport by municipal leading comrades, including Gao Dezhan, Li Jianguo, Li Shenglin, Zhang Zhiying, and Ye Disheng. Coming to the airport to see the delegation off by taking a special trip from Beijing were Yi Son-chin, counselor of the ROK Embassy in China, and the representatives of the Korean Chonggu Group of Companies and the Korean Chohung Bank.

During their visit to the ROK, the delegation will attend the opening ceremony of Tianjin export trade fair and the municipal economic and trade talks that will be held in the ROK. It will also hold a meeting on inviting business, at which the delegation will provide more than 100 projects for extensive talks with Korean entrepreneurs. It will formally sign an agreement with the Korean city of Incheon on establishing friendly ties between the two cities and sign the joint-venture contracts with the Korean Samsung Aerospace Industries Company and the Samsung Electronics and Heavy Industries Corporations. The delegation will also make fact-finding tours among the large steel and auto enterprises of ROK.

During their visit to Malaysia, the delegation will hold large-scale report meetings on investment environment. It will hold high level talks with the relevant departments of the Malaysian government, the Malaysian Chenggong and Gangshan Groups of Companies, and the development corporation of Pinang city with regard to the joint-venture projects of building infrastructures in the municipality, rebuilding the residential houses in Heping and Nanshi districts, and establishing an air conditioning plant. It will also sign the agreements concerned with them. Being in transit in Hong Kong, the delegation

will sign agreements respectively with the Thailand's Chia Tai Group of Companies and the Nanfeng Group of Companies of Hong Kong with regard to the projects of large-scale land lease and of rebuilding the residential houses in the Shizilin street of Hebei district. It will make extensive contacts with the noted business personages of Hong Kong and solicit the support of various circles of Hong Kong for the 43d international table tennis event that will be sponsored by the municipality.

Responsible personnel in charge of the municipal export trade fair and the municipal economic and trade talks that will be held in the ROK left the municipality for ROK by Tianren passenger ship on 31 November. Seeing them off at the port were Zhang Guanwen, secretary general of the municipal people's government, and responsible persons from the departments concerned.

Vice President Gore Addresses Media in Moscow

OW1612152393 Beijing XINHUA in English 1503
GMT 16 Dec 93

[Text] Moscow, December 16 (XINHUA)—Russian Prime Minister Viktor Chernomyrdin said here today that Russia and the United States had entered a new stage of cooperation in space exploration.

He made the remarks at a joint press conference with visiting U.S. Vice President Albert Gore.

The two leaders this morning signed agreements on space technology and economic cooperation as well as a statement on jointly building a space station.

Chernomyrdin also urged the West to continue its economic aid to Russia. The victory by the Liberal Democratic Party [LDP] in the Russian parliament elections came from a poor economic situation in the country, he added.

Gore said U.S. President Bill Clinton will not meet Russian LDP leader Vladimir Zhirinovskiy when he visits Moscow in January.

Gore also criticized Zhirinovskiy of his policies on nuclear weapons and on minority nationalities.

President Clinton on Joint Declaration on Ireland

OW1512213693 Beijing XINHUA in English 2122
GMT 15 Dec 93

[Text] Washington, December 15 (XINHUA)—U.S. President Bill Clinton said today that he warmly welcomes the signing by Britain and Ireland of a joint declaration on solving long-lasting conflict in Northern Ireland.

Clinton said in a written statement that Washington is ready to "contribute in any appropriate way to the new opportunities which lie ahead in Northern Ireland."

He praised the flexibility shown by British Prime Minister John Major and Irish Prime Minister Albert Reynolds in their "courageous search for peace."

Major and Reynolds signed the document on Wednesday. The declaration would allow sinn fein, political wing of the Irish Republican Army (IRA), to participate in preliminary talks with the British Government.

Three months ago, the IRA agreed to end its violent campaign in Northern Ireland, part of Britain.

United States & Canada

XINHUA Interviews U.S. Delegate on Trade

OW1612101993 Beijing XINHUA Domestic Service in
Chinese 0430 GMT 13 Dec 93

[Report on interview with Qian Xueshi (6929 1331 6108), director of the National U.S.-China Trade Committee, by Qian Wenrong (6929 2429 2837): "Strive To Play the Role of a Bridge in U.S.-Chinese Trade"; place and date of interview not given]

[Text] Beijing, 13 Dec (XINHUA)—"The prospects for the development of Sino-U.S. trade are as bright as possible today. Our committee—the National Committee for U.S.-Chinese Trade—will continue to play an active and constructive role in promoting Sino-U.S. trade from now on."

This was stated by Qian Xueshi, member of the delegation of directors of the board of the National Committee for U.S.-Chinese Trade, upon being interviewed by this reporter before he concluded his visit to China recently.

Qian Xueshi, the only director of Chinese ancestry of the National Committee for U.S.-Chinese Trade, has attended U.S.-Chinese trade talks many times to promote Sino-U.S. trade. He said: The National Committee for U.S.-Chinese Trade was set up in 1971 following President Nixon's visit to China. Its objective was to promote Sino-U.S. trade before the two countries had established diplomatic relations. After completing its tour in China, the delegation of the committee's senior directors has decided to meet in Shanghai to further expedite the development of Sino-U.S. trade in the new situation. He indicated that as an American industrialist of Chinese ancestry, he was willing to serve as a bridge in this respect.

Qian Xieshi said: The National Committee for U.S.-Chinese Trade is a nongovernmental trade organization whose members are chief executives of AT&T, Ford Motor Company, Boeing Corporation, and many other large U.S. enterprises and companies. Its membership has increased 35 percent this year. This shows that, because of China's political and social stability and rapid economic growth, U.S. entrepreneurs have greater confidence in doing business with China.

Over the years, the National Committee for U.S.-Chinese Trade has made it a practice every year to report to the U.S. President, the Congress, and the State Department and lobby them on behalf of China's most favored nation [MFN] status. According to Qian Xueshi, other directors attending the Shanghai meeting have indicated that they would continue to fight for China's MFN status during the first half of 1994.

Qian Xueshi founded the Great China Industries before President Nixon visited China in 1971. Trade between China and the United States has been his company's main business. He said that his company is one of the earliest companies engaged in expanding the U.S. market of Chinese textile products and garments. His company started to export complete sets of equipment to China in 1980 and then set up joint ventures in China shortly afterward. Qian Xueshi indicated that his company will from now on do something useful for China's modernization by focusing on business on promoting the transfer of telecommunications technology to China.

Bobby Inman Named New Secretary of Defense

*OW1612200693 Beijing XINHUA in English 1905
GMT 16 Dec 93*

[Text] Washington, December 16 (XINHUA)—U.S. President Bill Clinton this afternoon named Bobby Inman, former deputy director of the U.S. Central Intelligence Agency (CIA), as his new defense secretary to succeed Les Aspin who announced resignation Wednesday [15 December].

Inman, born in Rhonesbor, Texas, on April 4, 1931, graduated from the University of Texas in 1950 and was commissioned an ensign in the U.S. Navy two years later, rising to admiral by 1981. He retired from the Navy the following year.

As a career intelligence officer in the Navy, Inman held senior posts in the Carter and Reagan administrations, directing the National Security Agency (NSA) from 1977 to 1981 and served as the chief deputy to the late CIA Director William Casey for 18 months in 1981-1982 until he resigned because of differences with Reagan administration policies.

At a White House press conference to announce his choice this afternoon, Clinton said that Inman "will be a national asset as secretary of defense," and Inman has risen on the strength of "his brains, his talent and his hard work."

In reply, Inman said he didn't vote for Clinton but for George Bush in the 1992 election as is known to all. He said he hadn't sought the job and didn't want it, but accepted it out of "duty and country" and out of the President's "absolute commitment" to build bipartisan support for a military policy. He pledged to do his best for the country.

Inman is now president and chief executive officer of Microelectronics and Computer Technology Corporation in Austin, Texas.

Inman's appointment has to be approved by the U.S. Senate.

Central Eurasia

XINHUA Reports Russian Election Results

*OW1612175593 Beijing XINHUA in English 1614
GMT 16 Dec 93*

[Text] Moscow, December 16 (XINHUA)—The Liberal Democratic Party led by Vladimir Zhirinovskiy remains in the leading position in the parliament elections with 23.44 percent of votes, according to preliminary results released by the Central Electoral Commission today.

Results of voting from 186 out of all 225 constituencies on the party line showed the pro-Yeltsin "Russia's Choice" bloc takes the second place with 14.74 percent while the Communist Party runs third with 13.28 percent.

The three are followed by the Agrarian Party with 8.68 percent of votes, the Women of Russia with 8.28 percent, the Yavlinskiy-Boldyrev-Lukin bloc with 7.51 percent, the Party of Russian Unity and accord with 6.82 percent and the Democratic Party with 5.45 percent.

Official sources here said that the victory by the LDP on the party basis does not mean it will become the biggest faction in the new parliament.

The composition of the parliament will also depend on the results of the one-mandate election in the other 225 constituencies, where the situation can be completely different from the party lists voting.

However, the Liberal Democratic Party might become the second or third largest faction in the lower house, the sources added.

A total of 170 billion roubles (about 140 million U.S. dollars) were allocated from the Russian budget to hold the election marathon, the sources said.

Nikolay Ryabov, chairman of the Central Electoral Commission, told reporters that a total of 106,284,000 Russians were put on voting lists, and 55,987,000 of them took part in the polls on Sunday [12 December].

'Special Article' on Russian 'Democratic Monster'

*HK1712112593 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1045 GMT 16 Dec 93*

[“Special article” by reporter He Chong (6320 3095)]

[Text] Hong Kong, 16 Dec (ZHONGGUO XINWEN SHE)—The results of the Russian general election on 12 December show that the new Constitution, which is

aimed at providing the president with absolute power, has been adopted, and the Liberal Democratic Party, [LDP] which pursues the "greater Russia doctrine," has become the largest party in parliament. The current election, which diligently followed the Western democracy model, has run counter to the objective wishes of political circles in the West. Instead of becoming a "democratic country" through "peaceful evolution," the election has formed a strange embryo which will probably give birth to a great dictator or a "Russian Hitler" and to the revival of the tsarist Russia Empire.

The current Russian election consists of two major parts: a referendum on a new Constitution and parliamentary elections. The new Constitution, which is purposely "made to measure" for Yeltsin, will vest in the president supreme and absolute power, by which he can formulate and promulgate decrees and bills with legal effect, proclaim states of emergency, and appoint the prime minister and deputy prime ministers, ministers, supreme judge, and chief procurator. Moreover, he has the right to dissolve parliament and hold an election again if necessary after his nomination for prime minister has been voted down three times by parliament. The new Constitution has made parliament (which was called the people's congress in the past)—the supreme organ of state power—fall to an advisory organ and as a tool of the president. In short, Yeltsin has substantially weakened the restraining role of parliament over the president so that he can do almost as he likes.

A famous Western saying goes: Power corrupts, and absolute power corrupts absolutely. Yeltsin is not a sage. In October this year, he ordered tanks to bombard the parliament building and captured the speaker and vice president who opposed him. Before the referendum on the new Constitution was held, he again warned associated republics that if the new Constitution was voted down, a civil war would break out! Now that he has the power of dictatorship, will his suppression of the opposition lead to a national split or even bring about the "phenomenon of the disintegration of the Soviet Union"? People cannot help feeling puzzled.

The West is even more worried about the results of the Russian parliamentary elections, which were beyond people's expectation. The LDP, which claims to pursue the "greater Russia doctrine," obtained 24 percent of votes (and proportionally will have a quarter of the seats in parliament) and holds a leading position among the 13 political parties taking part in the elections, beating the pro-Yeltsin "Russia's Choice" led by Gaydar (which gained only 14.5 percent of the votes).

What is more, Vladimir Zhirinovskiy, leader of the LDP, likens himself to a tsar, claims that he worships Hitler, boasts that he will restore the territory of the Russian Empire during the tsarist era once elected president, and threatens that he will move the present Russian borders forward to include those republics formerly under Russia's jurisdiction. In addition, he indicated that he would take back Alaska, which was sold to the United States

during the tsarist era; never return the three northern islands to Japan; maintain friendly relations with Iran, Iraq, and other countries; and offer Russian soldiers the chance to clean their boots in the warm waters of the Indian Ocean. These ravings go even further than those of Tsar Alexander III. Therefore, after this man expressed his intention to "form a cabinet" and run for the presidency, the European countries were greatly shocked, and the United States also hinted at the necessity of reviewing its Russia policy and guarding against the return of the Cold War and the rise of Russia, which could once again contend with the United States for global hegemony.

The "democratic monster" bred by the Russian elections has given people much food for thought. According to analyses, both Gorbachev and Yeltsin have negated Russian political and economic structures, blindly worshipped Western democracy, and begged for aid from the United States, Germany, and other countries, causing Russia's national dignity to suffer considerable damage. At the same time, followers of Yeltsin, such as Gaydar and the like, imported "shock therapy" designed by U.S. academics, cherishing the illusion that the privatization of the state economy could be achieved in a couple of months. Unexpectedly, haste made waste, and the country's economy was suddenly thrown into chaos, with industrial production declining by more than 30 percent, inflation reaching 1,000 percent, causing people's living standards to drop substantially and leaving the people simmering with resentment. As a result, nearly 50 percent of voters did not vote, and those who went to the polls would not vote for "Russia's Choice"—a "party in the pay of the president." Instead, they turned to the LDP—a political party of national chauvinism—in the hope that it would restore Russian national dignity. This is exactly a "mentality of counter action."

In view of the fact that Russia is still at present the country with the largest territory, richest resources, and greatest number of nuclear weapons in the world, its general mood of expansionism and national chauvinism mirrored in the current elections will naturally arouse the vigilance of various countries throughout the world.

Russia's Yeltsin Dismisses Legal Department Head

OW1612114793 Beijing XINHUA in English 1124
GMT 16 Dec 93

["Yeltsin Sacks Another Aide"—XINHUA headline]

[Text] Moscow, December 16 (XINHUA)—Russian President Boris Yeltsin today fired Aleksandr Kotenkov, head of the Legal Department under the presidency, the Presidential Press Service reported without citing any reasons.

Yeltsin dismissed his aide Sergey Atankevich yesterday without giving reasons either. Observers here linked

Atankevich's deposal to the poor performance of Russia's Choice, the pro-Yeltsin party, in the parliamentary elections held on Sunday [12 December].

It is reported that chairman of the state-run "Ostankino" TV network Vyacheslav Bragin might also be sacked.

Northeast Asia

XINHUA Reports on Death of Japan's Tanaka

Jiang, Li Peng Send Condolences

OW1712115593 Beijing XINHUA in English 1137
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Chinese leaders and high-ranking officials today sent messages of condolence to the family of Kakuei Tanaka on the death of the former Japanese prime minister who died yesterday.

The mourners were Chinese President Jiang Zemin, Premier Li Peng, Vice-Premier and Foreign Minister Qian Qichen and former Foreign Minister Ji Pengfei.

The telegrams all praised Mr. Tanaka for making the decision 21 years ago to normalize Sino-Japanese diplomatic relations, with the outstanding far-sightedness and unusual courage of a statesman.

In so doing, the messages indicated, Mr. Tanaka, together with veteran Chinese leaders, turned a new page in the history of Sino-Japanese relations and made an indelible contribution to the friendly and cooperative ties between the two nations. As a result, he earned the respect and trust of the two peoples.

The cables said that the passing away of Mr. Tanaka was a big loss for the cause of friendship between the two peoples. The Chinese people will forever cherish the memory of the historic deeds of Mr. Tanaka and will continue to work unremittingly for the lofty goal of upholding Sino-Japanese friendship from generation to generation.

Zhang Xiangshan, China's chief representative on the 21st Century Committee for China-Japan Friendship, Chinese Ambassador to Japan Xu Dunxin and his predecessors Chen Chu, Fu Hao, Song Zhiguang, Zhang Shu and Yang Zhenya also sent their condolences to the family of the deceased in separate messages.

XINHUA Profiles Tanaka

OW1612161693 Beijing XINHUA in English 1557
GMT 16 Dec 93

[Text] Tokyo, December 16 (XINHUA)—Former Japanese Prime Minister Kakuei Tanaka, who restored Sino-Japanese relations in 1972, died today of pyrophosphorism and pneumonia at the age of 75.

Tanaka, one of the best known politicians in Japan, had been hospitalized with diabetes at Keio University Hospital in Tokyo for more than two months, hospital officials said.

He served as prime minister from 1972 to 1974, but wielded enormous power from behind the scenes in Japan's political world for years after being forced to resign in disgrace.

Shortly after he assumed power as prime minister in July 1972, Tanaka, the talented, rags-to-riches politician, swiftly decided to normalize diplomatic relations between China and Japan.

Effectively breaking off ties with Taiwan, he traveled to Beijing in September the same year and agreed with Chinese leaders to formally end the hostility that had existed between the two countries since World War II.

Tanaka was arrested in July 1976 on charges of accepting 500 million yen in bribes from Lockheed Corporation for his help in selling Tristar aircraft to Japan.

Tanaka was sentenced to four years in prison by the Tokyo District Court in October 1983, and his appeal was rejected by the Tokyo High Court in July 1987. His subsequent appeal to the Supreme Court was still pending at the time of death.

Despite the lower court rulings, Tanaka continued to wield enormous political clout as head of the largest faction of the then ruling Liberal Democratic Party (LDP) and as party baron, helping to put at least three LDP members into the premiership—Masayoshi Ohira, Zenko Suzuki and Yasuhiro Nakasone.

The former leader suffered a stroke in February 1985 and retired from politics in October 1989, announcing he would not run for the House of Representatives. He had been a lower chamber member since 1947.

Last August he visited China at the invitation of the Chinese Government to celebrate the 20th anniversary of the establishment of diplomatic ties. It was his first and last overseas trip since his resignation.

Prime Minister Morihiro Hosokawa and other leaders expressed their condolences over the death of Tanaka, saying he accomplished "great things" despite involvement in the scandal.

Hosokawa said Tanaka's pluses and minuses should be considered separately.

Tanaka was a politician of very rare character, despite having only an elementary school education, Hosokawa told reporters.

Chief Cabinet Secretary Masayoshi Takemura said Tanaka was one of Japan's most "colorful" postwar politicians and will be remembered as a man who advocated rebuilding the nation.

Wu Bangguo Receives Japanese Business Executive

OW1612125693 Shanghai People's Radio Network in Mandarin 2300 GMT 13 Dec 93

[From the "Morning News" program]

[Text] Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, and Jiang Yiren, vice mayor of Shanghai Municipality, met with Yoshio Tateishi, president of Japan's Omron Corporation, and his party at the Jinjiang Hotel last night.

Before the meeting, Vice Mayor Jiang Yiren attended a ceremony at which Japan's Omron Corporation and Shanghai Electronic Components Company signed a contract to establish Shanghai Omron Electrical Control Equipment Limited Company. The company, which will be established with capital from both sides, has a total investment of \$23.8 million. After it is completed and put into operation, the company will satisfy the demands of China's communications sector and export its products to other countries.

Beijing, Tokyo Set Up Joint Economic Firm

OW1612100093 Beijing XINHUA in English 0855 GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—A new company was set up here today to provide both Chinese and foreign businessmen with consultation services on investment in China.

The company, called the Nomura-CITIC International Economic Consultants Co. Ltd, is co-sponsored by the China International Economic Consultants Co. Ltd, under the China International Trust and Investment Corporation (CITIC), and Nomura Securities Co., Ltd.

Under a contract signed here, the new company will also provide consultation services on feasibility studies, marketing, and diagnosis and management of enterprises.

Tianjin Mayor Receives ROK Embassy Official

SK1712012993 Tianjin TIANJIN RIBAO in Chinese 5 Dec 93 p 1

[Text] On the morning of 4 December, Mayor Zhang Lichang received Mr. Yi Son-chin, counselor of the ROK Embassy in China, in the VIP room of Tianjin Airport who made a special trip from Beijing to see the mayor off. During the reception, the two sides talked about friendly contacts and economic and trade cooperation between the municipality and the ROK.

Zhang Lichang delivered a speech and said: The Tianjin Municipal People's Government has attached great importance to the friendly contacts and economic and trade cooperation with the ROK. China and the ROK are very similar in terms of habits and economic structure. The municipality is very familiar with the ROK's

situation and the ROK knows the municipality well. All this represents the favorable conditions and basis for developing or expanding the cooperative relationship. He hoped that the visit paid by the municipal delegation will play an active role in further developing the cooperative relationship of both sides. When talking about the ROK's economic and trade observation delegation, which will pay a visit to the municipality, Zhang Lichang extended a warm welcome to the visit and said: The municipal people's government will make all-out efforts to successfully render services for the investment and cooperation offered by the Korean friends to the municipality. Practice will prove that Tianjin is one of the best regions for foreign investments. Counselor Yi Son-chin said: Tianjin is the first city that has established friendly ties with Korea after the establishment of diplomatic relation between the ROK and China and many friendly contacts between the two countries have been realized through the city of Tianjin. The ROK and Tianjin are a close neighbor and Tianjin also is the gate for the ROK to enter China. He was convinced that economic and trade cooperation and friendly contacts between the ROK and Tianjin will increase. On behalf of the ROK Embassy in China, he also wished Zhang Lichang and the municipal delegation a success in their visit to the ROK.

West Europe

Beijing Claims BBC Program 'Slanders Mao'

HK1712045893 Hong Kong AFP in English 0441 GMT 17 Dec 93

[Text] Beijing, Dec 17 (AFP)—Britain has rejected Chinese pressure to force the BBC to cancel the screening of a programme depicting late Chairman Mao Zedong as a sex-crazed tyrant, a British Embassy spokeswoman here said Friday. "The Chinese Ministry of Foreign Affairs has approached us here and in London to try to persuade us to exert pressure on the BBC" to scrap Monday's screening of "Mao—the Untold Story," the spokeswoman said. "We have repeated our standard approach that the BBC is entirely independent and we have no power to influence it. Basically it is not our business," she said.

The programme features interviews with Mao's personal physician, a Dr. Li, and other former officials detailing the founder of Communist China's taste for group sex with young girls, the British newspaper THE TIMES reported Friday. BBC sources here said the programme—intended as a "balanced portrait," dealing not only with Mao's sex life—would be screened as planned on the BBC's domestic channel. The programme will not be shown on BBC World Service Television, which can be picked up in China via satellite, the sources said.

No comment was immediately available from the Chinese Foreign Ministry, but the British Embassy spokesman said the Chinese had complained the broadcast "defames Mao, slanders Mao." The screening comes

at a particularly sensitive time. Not only does it threaten to widen the gulf between Britain and China following Wednesday's tabling of partial electoral reforms in Hong Kong's Legislative Council, but it also runs counter to the exultation of Mao at home ahead of the 100th anniversary of his birth on December 26. Articles on Mao filled Chinese newspapers Friday, with one announcing the imminent screening of a new Chinese feature film—"Chongqing Negotiation"—depicting a very different late chairman from that in the BBC broadcast.

THE TIMES report quoted sources close to the BBC as saying Beijing correspondent James Miles—who was not involved in making the programme—and a British embassy representative had been told they would be held responsible for the consequences of its screening. But the British embassy spokeswoman said Chinese officials had not spelled out clearly the consequences for the BBC or for Sino-British relations.

On Friday, the CHINA DAILY newspaper continued Beijing's condemnation of Hong Kong Governor Chris Patten's submission to the legislature of reform plans for the colony's last elections before reverting to China in 1997. The "vile move" had "created artificial turmoil" in Hong Kong and "sabotaged the basis of Sino-British cooperation," it said.

BBC sources declined to comment on the potential backlash of the programme's screening. The BBC is also to broadcast another less than adulatory programme about Mao on World Service radio on Christmas day, but BBC sources here said the Chinese had not complained about the "Red Emperor." The programme reportedly details Mao's disastrous policies and the differences between what he practised and what he preached.

Swiss Firm Opens Joint Pharmaceutical Venture

OW1712142793 Beijing XINHUA in English 1420
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Beijing Ciba-Geigy Pharma Ltd, a Sino-Swiss pharmaceutical joint venture, opened its first pharmaceutical plant in China today.

The new plant, with a capacity to produce a billion tablets a year, is situated in Changping County, to the north of Beijing.

Beijing Ciba-Geigy Pharma is a 21 million U.S. dollar joint venture between Ciba-Geigy Ltd, the Beijing General Pharmaceutical Corp. and the Beijing No. 3 Pharmaceutical Factory. Ciba invests 60 percent of the capital.

According to sources, the new plant has an annual capacity of about one billion tablets or capsules. At start-up it will produce medicines for diseases of the

central nervous system, cardiovascular system and rheumatism. The products will be sold on the domestic market, with the international market as a future prospect.

Swiss Ambassador to China Erwin Schurtenberger and Sun Longchun, Chinese deputy minister of public health, were present at today's inauguration of the plant.

At the ceremony, Pierre Douaze, member of Ciba's Executive Committee and head of its Pharmaceutical Division, donated 50 000 yuan to the Song Qingling Foundation on behalf of Ciba for China's health-care.

Ciba Pharmaceutical Division has branches, joint ventures, scientific offices and agencies in more than 140 countries.

The Pharmaceutical Division of the Swiss-based Ciba-Geigy Ltd, a leading worldwide biological and chemical firm, ranks fifth among the world's pharmaceutical companies.

Beijing Ciba-Geigy Pharma has established subsidiary offices in Shanghai, Tianjin and Guangzhou, and is planning new offices in Wuhan, Shenyang, Chongqing and Harbin next year.

Beijing General Pharmaceutical Corp. is one of China's major pharmaceutical enterprises with over 70 subsidiary companies. The Beijing No. 3 Pharmaceutical Factory operates under it.

Latin America & Caribbean

Reportage on Mexican President Salinas' Visit

PRC Media Interview Salinas

OW1612144493 Beijing XINHUA Domestic Service in Chinese 0213 GMT 13 Dec 93

[By Feng Junwei (7458 0193 0251) and Zhang Jinjiang (1728 6855 3068), XINHUA reporters; Jia Yanping (6328 3601 1628), China Radio International reporter; and He Qi (0149 3217), WEN HUI BAO reporter]

[Text] Mexico City, 12 Dec (XINHUA)—Mexican President Salinas said here on 10 December that China's has made remarkable progress in implementing the policy of reform and opening up. The whole world is paying close attention to China's high and stable economic growth in recent years.

Salinas' interview with reporters of the XINHUA NEWS AGENCY, RENMIN RIBAO, CHINA RADIO INTERNATIONAL, and WEN HUI BAO took place at his presidential residence. At the invitation of PRC President Jiang Zemin, President Salinas will make a state visit to China from 16 to 19 December.

Salinas said: The Mexican people greatly admire the Chinese people and they are watching the impressive economic changes in China with great interest. He said

that he was looking forward to the upcoming visit to China with great enthusiasm. He believed that the visit would help him to better understand the changes in China and enhance the good relations existing between the two countries.

Speaking of China's economic reform, Salinas said: China's achievements in reform and opening up are remarkable. The whole world has been paying close attention to China's high and stable economic growth in recent years. He said: "China has a population of 1.2 billion. It is remarkable that China has carried out such economic reforms, provided for such a huge population, and at the same time created new employment opportunities and benefits. Economic reforms are making China's an economic giant in the world and China will play an increasingly important role in the world. Economic changes have demonstrated that China's economy is both competitive and complimentary for economic exchanges with other countries.

Salinas told the reporters that some Mexican entrepreneurs will go with him to China and this is conducive to the development of economic relations between Mexico and China. He said that he hoped that the two nations will make still greater progress in cooperation in the fields of culture, education, and environmental protection. He believed that there is a great scope for bilateral cooperation.

Salinas also said: Mexico is now a member of Asia-Pacific Economic Cooperation [APEC]. This is an indication that Mexico is determined to main close ties with the Asian-Pacific region, a region where China plays an important role.

Salinas Attends Document Signing

OW171207093 Beijing XINHUA in English 0634
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Chinese President Jiang Zemin and visiting Mexican President Carlos Salinas de Gortari attended a ceremony for the signing of six documents of cooperation between the two countries in the Great Hall of the People here this morning.

The six documents are: the agreement on economic and technological cooperation in petrochemical and chemical industries between the Chinese Ministry of Chemical Industry and the Mexican Secretariat of Energy, Mines and Industry; the agreement on providing preferential credit loans between the Bank of China and the Mexican National Foreign Trade Bank; the protocol on cooperation in archaeology, museums and the protection and restoration of historical relics between the Chinese Ministry of Culture and the Mexican Culture and Art Commission; the agreement on cooperation in rural development between the Chinese Ministry of Agriculture and the Mexican Secretariat of Agriculture; the memorandum of understanding on cooperation in fisheries between the Chinese Ministry of Agriculture and the Mexican Secretariat of Fisheries, and the agreement

on the establishment of a political consultation system between the Chinese Foreign Ministry and the Mexican Secretariat of Foreign Affairs.

Jiang Zemin Receives Salinas

OW1712092493 Beijing XINHUA in English 0838
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Chinese President Jiang Zemin and visiting Mexican President Carlos Salinas de Gortari agreed here today that bilateral cooperation has been developing smoothly, and that further cooperation enjoys great potential.

Jiang and Salinas made that statement when holding talks at the Great Hall of the People this morning.

Jiang said that Sino-Mexican friendly cooperation in various fields has witnessed sustained and stable development since the two countries established diplomatic ties 21 years ago.

Consistent high-level contacts and frequent exchanges at various levels have enhanced mutual understanding, deepened the friendship between the two peoples and promoted bilateral cooperation, he added.

The Chinese president noted that the Chinese Government attaches great importance to the bilateral ties, with which China is satisfied.

Jiang said that China and Mexico are two major developing countries in Asia and Latin America, respectively. China, together with the Mexican side, is willing to further develop Sino-Mexican relations more extensively and rapidly.

Economic and trade relations, Jiang said, an important part of bilateral relations, have grown since the two countries set up diplomatic ties.

The Chinese president said that China and Mexico have conducted fruitful cooperation in the fields of two-way trade, labor service and investment. Yet bilateral economic and trade co-operation still has great potential, he added.

Jiang said that the economies of the two nations each have their own advantages and are mutually complementary. The Chinese Government encourages Chinese companies and enterprises to go to Mexico and do business there, while Mexican businessmen are welcome to invest in China.

The president stressed that the Chinese Government supports various forms of economic and trade cooperation between the two sides.

Sino-Mexican relations are not only in the fundamental interests of the two peoples, but also conducive to world peace and development, he noted.

China hopes that Sino-Mexican relations will set a model for South-South cooperation, said Jiang.

Touching on the Taiwan issue, Jiang said that China highly appreciates Mexico's clear stand and friendly attitude toward the one-China position, which is related to China's sovereignty.

He expressed his belief that the Mexican Government will, as always, continue to understand China's position on the Taiwan issue and support China's reunification.

The Chinese president thanked Mexico for its support and sympathy for China's resumption of its signatory status in the General Agreement on Tariffs and Trade (GATT) and on human rights issues.

Jiang also congratulated Mexico on its being accepted as a formal member of the Asia Pacific Economic Cooperation (APEC) forum.

President Salinas said the warm reception he has received here indicates the friendly feelings of the Chinese people toward the Mexican people.

Salinas said that Mexico and China share many common points and that bilateral ties have wide prospects.

He noted that Mexico is very interested in conducting economic and trade cooperation with China. The agreements to be signed between the two countries today are of great importance to bilateral relations. The agreements will send out a clear message that sustained development will be pursued in bilateral relations.

The agreements, said Salinas, especially one on agricultural cooperation, will offer Mexico an opportunity to learn from and draw on China's experience.

The Mexican president expressed his thanks to China for its support in accepting Mexico as a member of APEC.

Prior to the talks, Jiang presided over a welcoming ceremony for Salinas at the Great Hall of the People.

Salinas Discusses Economic Ties

*OW1712100893 Beijing XINHUA in English 0925
GMT 17 Dec 93*

[Text] Beijing, December 17 (XINHUA)—Visiting Mexican President Carlos Salinas de Gortari said that there is great potential for Mexican-Chinese economic cooperation and that the two sides should make efforts to strengthen trade ties.

Salinas made the remarks while talking to Chinese and Mexican entrepreneurs here this morning.

President Salinas said the Pacific will become an important new region in the world economy. Mexico's joining the Asian-Pacific Economic Cooperation forum and strengthening its communication with China, the most vigorous economy in the region, will surely promote dialogues between the continents.

Sino-Mexican trade has increased constantly in recent years. In 1988, the trade volume reached 177 million

U.S. dollars, while in 1992 the figure hit 271 million U.S. dollars. But President Salinas said he believed that those figures still do not reflect the economic potential of the two countries.

"Mexico and China have the capability to conduct effective cooperation," said Salinas after briefing entrepreneurs attending the meeting on Mexico's economic development.

The two sides have jointly financed port dredging in Mexico and other Southern American countries, and have invested in the textile and catering industries.

The Mexican National Foreign Trade Bank and the Bank of China have signed a loan agreement amounting to 100 million U.S. dollars for medium- and long-term cooperation.

This year a conference was convened by the two countries' joint commission on cooperation in the fields of bio-engineering, communications, information, aquatic products industry and forestry.

Prior to the meeting, Chinese entrepreneurs held talks with more than 40 Mexican entrepreneurs who are touring China with President Salinas to probe opportunities for bilateral trade and economic cooperation.

Chairman of the China Council for the Promotion of International Trade Zheng Hongye told the two countries' industrialists that China's high speed economic development in the 1990s will provide more opportunities for cooperation with entrepreneurs around the world, including those from Mexico.

Zheng said he hoped entrepreneurs from the two countries will seek more common points and fields for cooperation.

Li Peng Receives Salinas

*OW1712120493 Beijing XINHUA in English 1139
GMT 17 Dec 93*

[Text] Beijing, December 17 (XINHUA)—Chinese Premier Li Peng and visiting Mexican President Carlos Salinas de Gortari said they shared satisfaction with the steady growth of Sino-Mexican ties at a 30-minute meeting here today.

Li told Salinas that his visit to China will give strong impetus to the development of Sino-Mexican friendly relations.

China has always attached great importance to its relations with countries, Li said. "Mexico is a country with major influence in Latin America. The economic achievements it has made commands China's admiration."

China and Mexico share common interests in developing their economies and safeguarding world peace, Li said.

"We are glad to see that China and Mexico have scored progress in economic cooperation, especially in setting up joint ventures," Li said, adding that China holds a positive attitude towards its economic cooperation with Mexico.

Li said Mexico's membership in the Asia-Pacific Economic Cooperation forum provides another favorable condition for expanding Sino-Mexican cooperation in international economic activities.

Li thanked Mexico for its support for China's resumption of its signatory status in the General Agreement on Tariffs and Trade.

The premier also briefed Salinas on China's reform measures to be adopted in the fields of pricing, taxation and finance.

Salinas said that Mexico admires China's achievements in economic reform, adding that the whole world is highly interested in China's rapid economic growth.

Salinas said Mexico and China are complementary economically and added that Sino-Mexican cooperation has broad prospects for development.

Jiang Hosts Banquet

OW1712125593 Beijing XINHUA in English 1224
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Chinese President Jiang Zemin hosted a banquet in honor of visiting Mexican President Carlos Salinas de Gortari and his party, at the Great Hall of the People here this evening.

Among those present at the banquet were Qian Qichen, Chinese vice-premier and foreign minister, Wang Zhongyu, chairman of the Chinese Government Reception Committee and minister in charge of the State Economic and Trade Commission, Zhang Kehui, vice-chairman of the Central Committee of the Taiwan Democratic Self-Government League.

Mexican Secretary of Foreign Affairs Mannel Camacho Solis and Secretary of Energy, Mines and Industry Emilio Lozoya Thalmann, and others, who are accompanying the Mexican president on the visit, also attended the banquet.

This afternoon, talks were held between Gu Xiulian, Chinese minister of chemical industry, and Mexican Minister Lozoya.

Qian Qichen, Mexican Counterpart Meet in Beijing

OW1712130293 Beijing XINHUA in English 1240
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen today exchanged views with visiting Mexican Secretary of

Foreign Affairs Manuel Camacho Solis on bilateral ties and issues related to the international situation.

Qian told the Mexican minister that China has high regard for the positive role that Mexico is playing in the affairs of Latin America and the rest of the world.

He said the just-signed agreement on the establishment of a political consultation system between the Chinese Foreign Ministry and the Mexican Secretariat of Foreign Affairs has provided a favorable condition for bilateral cooperation.

Qian said China and Mexico have identical views on major international issues. The Chinese Government is ready to continue to offer its support for and closely coordinate with Mexico in international affairs, he added.

Congratulating China on its important achievements in diplomatic affairs, Camacho said the two countries have much in common.

He listed two major common points: firstly, both are situated in the Asia-Pacific region which has such vigorous growth of economies; secondly, they value highly their own sovereignty.

He expressed the hope that through the China visit of Mexican President Carlos Salinas de Gortari, bilateral friendly relations and cooperation will be furthered in a wide range of aspects.

Guangdong Receives Guyanese President Jagan

Governor Meets Jagan

OW1612135893 Beijing XINHUA in English 1345
GMT 16 Dec 93

[Text] Guangzhou, December 16 (XINHUA)—Zhu Senlin, governor of south China's Guangdong Province, gave a banquet for visiting Guyanese President Cheddi Jagan here this evening.

Before it, Zhu briefed the guests on Guangdong's reform and opening up, introduction of overseas investment, foreign trade and people's lives.

Jagan said that the Guyanese Government is concentrating on developing its economy, strengthening cooperation with foreign countries, and raising its people's living standard.

Jagan hoped that his country and Guangdong will cooperate in the fields of industry and agriculture, especially in power, processing and manufacturing industries.

President Jagan, who arrived here at noon from Haikou, capital of Hainan Province, visited some state-run enterprises and toured the city this afternoon.

Jagan Departs for Home

OW1712102193 Beijing XINHUA in English 0928
GMT 17 Dec 93

[Text] Guangzhou, December 17 (XINHUA)—President Cheddi Jagan of the co-operative Republic of Guyana concluded his six-day state visit to China and left here for home by air this afternoon.

Before his departure, the president said that he was satisfied with his China visit.

Among those seeing Jagan off at the airport were Zhang Chunyuan, chairman of the Chinese Government Reception Committee and vice-minister of water resources, and Lu Ruihua, vice-governor of Guangdong Province.

During his south China visit, Jagan visited several enterprises in Guangzhou, capital of Guangdong Province. He praised Guangdong for its fast growing economy and great improvement of people's life.

Jagan arrived in Guangzhou yesterday from Haikou, capital of Hainan Province.

Chilean President-Elect Discusses Bilateral Ties

OW1612104493 Beijing XINHUA Domestic Service in Chinese 0821 GMT 14 Dec 93

[By reporter Wu Huizhong (0702 1920 1813)]

[Text] Santiago, 13 Dec (XINHUA)—Chilean President-Elect Eduardo Frei said here this afternoon Chile that attached great importance to its relations with China, and his government will continue to promote the development of Chilean-Chinese friendship and cooperation.

The Chilean president-elect made this statement when meeting with Chinese Ambassador to Chile Zhu Xiangzhong. Frei won the presidential election on 11 December and will be sworn in as the next president of the Republic of Chile on 11 March.

Frei said the two countries' relations have been developing very rapidly in all fields since the establishment of Chilean-Chinese diplomatic relations in 1970, and especially in recent years. He thanked China's support for Chile in joining the Asia-Pacific Economic Conference. He pointed out the two countries should strengthen cooperation in this organization and in other international affairs.

During the meeting, Ambassador Zhu Xiangzhong relayed to him a letter from President Jiang Zemin congratulating him for being elected as the next Chilean president. Frei expressed thanks for the congratulations and asked Ambassador Zhu to convey his thanks and regards to President Jiang.

Political & Social

Qiao Shi Makes Inspection Tour in Fujian

OW1612031993 Beijing XINHUA Domestic Service in Chinese 0821 GMT 27 Nov 93

[By FUJIAN RIBAO reporter Zhuang Zhancheng (8369 4541 2052) and XINHUA reporter Shi Yusheng (4258 3768 3932)]

[Text] Fuzhou, 27 Nov (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and chairman of the Standing Committee of the National People's Congress, pointed out during an inspection tour of Fujian Province: In studying Volume 3 of the *Selected Works of Deng Xiaoping*, it is crucial to have a fundamental change in thinking and a thorough understanding of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, further emancipate the mind, seize the current opportunity to deepen the reform, open wider to the outside world, and develop Fujian's economy in a quicker and better way.

From 21 to 27 November, Qiao Shi, accompanied by Chen Guangyi, secretary of the Fujian Provincial CPC Committee and chairman of the provincial people's congress standing committee, and Governor Jia Qinglin, went to Fuzhou, Xiamen, and Nanping, and visited a number of industrial development zones, high-tech development zones and foreign investment zones, state-level tourist zones, foreign-funded companies, and infrastructure projects under construction. He heard briefings on the work of the provincial CPC committee, congress, and government, as well as on the work of Fuzhou, Xiamen, and Nanping cities.

At a briefing on the province's efforts to organize party members and cadres to study Volume 3 of the *Selected Works of Deng Xiaoping*, Qiao Shi said: A fundamental change in the thinking of leading officials at and above the county level is crucial to success in studying Volume 3 of the *Selected Works of Deng Xiaoping* and in arming party members and cadres with the theory of building socialism with Chinese characteristics. Without a fundamental change in thinking, we can't begin to talk about deepening reform. If we confine ourselves within the outmoded economic framework, then the deepening of reform will lack an ideological foundation and an inner motive force. The *Selected Works of Deng Xiaoping* are about reform from cover to cover. They succinctly explain reform as a second revolution and an emancipation of the productive forces. We must have a thorough understanding of this question. It certainly takes time to deepen and enhance one's understanding. In the absence of a profound change in thinking, it would be, however, impossible to advance smoothly the cause of reform and opening up. Therefore, we must thoroughly study and understand the selected works. Instead of paying lip service or going through the motions, we should read the

book, integrate theory with reality, and truly put Comrade Xiaoping's thought and line into practice. Marxist theory should always be creative and closely linked with reality. This is a point upheld by the originators of Marxist theory. Mao Zedong Thought and Comrade Xiaoping's theory on building socialism with Chinese characteristics represent a continuation and creative development of basic Marxist tenets. The tremendous achievements that China has scored over the past 15 years have resulted from the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and from the steadfast implementation of the party's basic line of "one central task and two basic points." We must be good at harmonizing our efforts to promote reform, opening up, and economic construction with the specific work aimed at adhering to the four cardinal principles. The socialism we are upholding is one that is entirely based on China's reality, a socialism suitable to the special features of our times. To uphold and strengthen party leadership, we must constantly improve it. Only in this way will it be possible to bring about unceasing advancement in China's modernization drive, party building, spiritual civilization, and various other undertakings.

After hearing briefings given by comrades of Fujian Province, Qiao Shi said: Fujian's economic growth over the past few years has been rapid. The province has kept a tight grip on reform and opening up. It has seized the opportunity and made great headway in attracting investment from overseas Chinese, Taiwan, and foreign investors in recent years, and it has done well in stepping up macroeconomic regulation and control. All in all, the situation is very good. Fujian is in the forefront of reform and opening up. For various historical reasons, its economic foundations are rather poor. For this reason, it must take full advantage of the present opportunity to speed up development. The current international environment is, on the whole, conducive to faster economic construction in China. The domestic economic situation is good as a result of macroeconomic control measures, thus paving the way for healthy, sustained, and rapid [jian kang chi xu kuai su 0256 1660 2170 4958 1816 6643] growth in the days to come. We are certainly faced with onerous tasks in deepening reform and developing the economy, and we should be fully prepared for the possible difficulties that might lie ahead. However, we must emancipate our minds, seek truth from facts, proceed from reality in doing everything, make a correct assessment of the situation, steadfastly carry through to the end the decisions that have been adopted, make positive but prudent efforts every step of the way, and do our work in a down-to-earth manner. In this way, our modernization drive will be full of promise.

Qiao Shi said: Village and township enterprises in the coastal regions have seen rapid growth. We should conscientiously guide the construction of towns while expanding rural industries. In this way, we can make full use of existing public facilities and absorb surplus rural

laborers. Towns and small cities should be turned into, step by step, the centers of rural political affairs, economic growth, culture, and services so as to build a new socialist countryside with Chinese characteristics.

Qiao Shi showed great concern for the work of people's congresses at all levels. Wherever he went, he inquired in great detail about the work of people's congresses, especially the construction of socialist democracy and legality. He said that a socialist market economy is, in a sense, an economy based on management by law. That is why a legal system suited to the growth of a socialist market economy must be introduced nationwide. Thus, both the National People's Congress and local people's congresses are now facing a greater task in formulating laws and regulations. Special economic zones must step up their legislation efforts. Local statutes should be formulated on the basis of the Constitution and other national laws, taking into consideration local conditions and other characteristics and making efforts to improve them step by step in practice. We must work persistently to build China into a modernized and democratic country with a sound legal system.

During his inspection tour, he also exchanged views with local comrades on the development of special economic zones and antipoverty efforts.

Rong Yiren Urges Youth To Create Market Economy

OW1612135493 Beijing XINHUA in English 1338 GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—Chinese Vice-President Rong Yiren today called on Chinese youth to contribute to the establishment and perfection of a socialist market economic structure in the country.

In a meeting with 15 youth representatives in Beijing, Rong said, "Youth are the future of our motherland and we pin our hopes on you young people."

The leader called on the young people to inherit Mao Zedong thought and put Deng Xiaoping's theory of building socialism with Chinese characteristics into practice.

Rong said young people should foster the idea of serving the people and the concept of placing their views in an overall context, and should tie their future to the future of the country.

He also asked the young people to carry forward the fine tradition of pioneering and hard work to invigorate the Chinese nation and bring happiness to generations to come.

"I sincerely hope that our young people will always follow the party's instructions, do well in their work and study, and enjoy good health," he said.

In the meeting held in the Great Hall of the People, he recalled his association with the late Chairman Mao Zedong.

"Chairman Mao Zedong was a founder of the Chinese Communist Party and the People's Republic, and a great leader loved by the Chinese people of all nationalities," he said.

He praised the late chairman for devoting his life-long energy and efforts to the liberation of the Chinese nation and China's socialist revolution and construction.

"What our people, particularly the current generation of middle-aged and young people, have today results from the correct leadership of the Chinese Communist Party and the wise decisions of Chairman Mao," he told the meeting.

"Without the Chinese Communist Party led by Chairman Mao, it would take a longer time for China to shake off its state of semi-feudalism and semi-colonialism," he added.

"I, a national entrepreneur-turned-state leader, am very grateful to Chairman Mao for his teachings. It is Chairman Mao who guided me onto the socialist road," he said.

"Even when I was attacked during the 'Cultural Revolution' (1966-76), I never wavered in my feelings for Chairman Mao or my belief in the party's leadership and the socialist road," he told the representatives.

He also praised Deng Xiaoping for inheriting and developing Mao Zedong thought and formulating a basic line which takes economic construction as the central link. "That line has enabled China to usher in a new period of reform, opening to the outside world and all-round development," he said.

"Practice over the past decades, particularly over the past 10-odd years, has proved that socialism can save China and can develop China," he noted.

The hope of the Chinese nation is placed in the development of the socialist cause, he said.

Li Lanqing Discusses Academic Degrees Work

OW1712125993 Beijing XINHUA Domestic Service in Chinese 1127 GMT 12 Dec 93

[By RENMIN RIBAO reporter Lu Xinning (4151 1800 1337) and XINHUA reporter Yin Hongzhu (1438 7703 4376)]

[Excerpt] Beijing, 12 Dec (XINHUA)—Speaking at a forum attended by members of the State Council Academic Degrees Committee on 11 December, Vice Premier Li Lanqing pointed out that China's academic degrees system has played a major role in training high-caliber specialized personnel. He called for further deepening China's academic degrees work and enact and

improve essential laws and regulations to transform academic degrees work into a mechanism that will further promote education standards and train more high-caliber personnel essential to the development of China's market economy and social progress.

The State Council Academic Degrees Committee held its 12th meeting in Beijing 11-12 December. The meeting reviewed progress made in academic degrees work in recent years and studied ways to reform and develop academic degrees work in the future.

After hearing a report on the meeting, Li Lanqing expressed his appreciation and respect of the committee members for their important contributions to the development of a sound academic degrees system in China. He said: The academic degrees system is an important part of China's higher education system. The establishment of a sound academic degrees system is an important earmark of the development of China's higher education and an important mechanism promoting education standards. Since the establishment of the academic degrees system, China has trained a large number of high-caliber talented personnel on its own, who have become a creative, pioneering backbone force by playing important roles in all sectors of the country and by greatly advancing economic development and social progress. As a result, the importance of academic degrees work and graduate education has been recognized and taken seriously by more and more people. In the future, we must continue to vigorously publicize the importance of training high-caliber specialized personnel, work hard to create a fine working and living condition conducive to personnel training, take steps to improve the training of talented people, and encourage outstanding high-caliber personnel to display their talents.

Li Lanqing pointed out: At present, there are considerable difficulties in China's education undertakings. However, to overcome these difficulties, the fundamental way is reform. We must promote development through reform. The reform and improvement of our academic degrees system must be carried out gradually in close concert with our economic structural reform. We have explored and accumulated successful experience in practice in this regard. In addition, we can extensively learn from the beneficial experience of Western developed countries. We must profoundly study and explore new concepts on reforming and developing academic degrees work and graduate education in the historic process of building a socialist market economy to make China's academic degrees work truly adaptable to the needs of building a socialist market economy and bringing social progress. Li Lanqing continued: "An Outline of China's Education Reform and Development" is a programmatic document that will guide China's education work for a considerable period to come. Our academic degrees work will also undergo reform in accordance with the spirit of the outline. The proposal to step up reform of the delegation of power in conferring academic degrees, which was studied and examined during this meeting, is a very good idea. The

goal of academic degrees work is precisely to train high-caliber specialized personnel using domestic resources. We must carry out bold reform and experiment in this regard, provided the quality of academic degrees is guaranteed. We have laid a strong foundation for academic degrees work. While actively promoting reform and strengthening macroeconomic control, we must enact and improve essential laws and regulations and delegate the power of examining and proving academic degrees to lower levels step by step and at different echelons. We must work hard to establish an operating mechanism suitable to our characteristics through division and delegation of power, simplification of procedures, strengthening the training of multiple-use personnel, and the adoption of other effective measures. We must advance our academic degrees work to a new stage by training more high-caliber, better-qualified, talented personnel in different disciplines who will meet the needs of a socialist market economy. [passage omitted]

NPC To Deliberate Draft Laws 20 Dec

OW1712075493 Beijing XINHUA in English 0743
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—The last bi-monthly session this year of the Standing Committee of the National People's Congress (NPC), China's legislature, is going to be held next Monday [20 December] in Beijing.

A package of 11 draft laws will be deliberated by the country's top legislators during the 10-day session.

Among the 11 draft laws, most of which have been submitted for deliberation for the first time, seven are concerned with economic affairs.

The draft Corporate Law is considered the "most important" of all as it will directly affect the establishment of a socialist market economy.

The draft, which has already been deliberated twice by previous sessions, is expected to be passed this time.

The draft amendment to the Accountant Law and the draft Budget Law will also be further deliberated. The latter will be submitted to the congress' full session next March for final deliberation, according to a proposal submitted by the chairman and vice chairmen of the NPC Standing Committee.

Spokesman of the General Office of NPC Standing Committee Zhou Chengkui said at a news briefing here this morning that the upcoming session will also deliberate the draft provisional regulation on levying the value-added tax, consumption tax, and business tax on foreign-funded and foreign enterprises.

"The purpose of this regulation is to ensure equal competition among enterprises under different forms of ownership and to promote the development of a socialist market economy," the spokesman said.

Because illegal border crossings and emigration have become more and more severe in recent years, the NPC Standing Committee has formulated a draft supplementary regulation on punishing severely these crimes. The draft is also to be examined at this session.

To cope with increasing Taiwanese investment on the Chinese mainland, a law on the protection of investments of Taiwan compatriots will be deliberated by legislators at the coming session.

Also to be deliberated at the session are the following: draft laws on foreign trade and natal and health care and the draft decision on relevant issues concerning the right of conducting investigations of criminal cases by security departments in the army.

Frequent hijackings and aviation accidents have made flight safety an issue of concern both here and abroad. The legislators will thus hear a report on the problem given by a top leader of the Civil Aviation Administration of China during the session.

The legislators will also examine the draft decision on holding the second plenary session of the Eighth NPC next March in Beijing.

Women's Federations Prepare for 1995 World Forum

OW1712102093 Beijing XINHUA in English 0929 GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—A three-day seminar on the implementation of "Nairobi Forward-Looking Strategies" is being held here. Presidents of provincial women's federations from all over the country and officials in charge of women's affairs are attending the meeting.

The seminar, organized by the All-China Women's Federation (ACWF), is aimed at arousing people's interest in women's affairs and publicizing targets of the Fourth World Women's Conference, which will be held in Beijing in 1995, said Huang Qizao, vice-president of the ACWF. It is only one of the preparatory activities China has organized for the World Women's Conference, Huang said.

"The Nairobi Forward-Looking Strategies" was passed in 1985 at a world conference on women held in Nairobi. It carried the theme of "action for equality, development and peace" and put forward a framework for action to the year 2000 at the national, regional and international levels to promote greater equality for women.

To prepare for the Fourth World Women's Conference, China set up an Organizing Committee last year. Huang, who is also vice-chairwoman of the Organizing Committee, said that the committee has met many times for mobilization and preparation of the conference.

The subcommittees have also worked out short- and long-term working plans and have started overall preparations and organizing of the conference, Huang said.

Meanwhile, the Organizing Committee has launched a nationwide mobilization of preparations for the conference, which has gained responses from mass organizations in the country.

For example, the ACWF has listed participation in the preparatory work of the conference in its working agenda during the 1993-95 period, according to Huang. She said the ACWF is making efforts to combine protecting women's rights and interests, eliminating illiteracy among women and training women cadres.

In addition, according to Huang, the Chinese Organizing Committee is organizing various discussions and training personnel for the 1995 conference.

'Special Article' on Anticorruption Drive

HK1512150493 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0919 GMT 3 Dec 93

["Special article" by reporter Si Liang (1835 5328): "The Mainland Gradually Becomes Successful in Opposing Corruption and Advocating Clean Government"]

[Text] The CPC's large-scale anticorruption operation has been going on for over three months and has brought both "flies" and "tigers" to justice. A group of high- and low-ranking corrupt officials, from vice ministers, bureau chiefs, and section heads to enterprise managers, directors, and office chiefs, have been arrested. A series of decrees and measures for combating corruption and promoting clean administration have been promulgated, and concrete requirements and policy boundaries have clarified. A prevailing atmosphere of clean administration has begun to appear.

Most of the anticorruption operations conducted by the mainland authorities in the past came in like a lion and went out like a lamb, so few people expected any extraordinary moves or achievements to be made by the CPC high-level authorities in this year's anticorruption campaign. Over a period of approximately 100 days, however, the anticorruption campaign has achieved some impressive results from the center to the localities. Tens of thousands of cases of bribe-taking have been cracked, and many major and important cases have been handled. In particular, seven criminals guilty of extraordinary embezzlement and bribe-taking (each case involving over 1 million yuan) who were connected to government organs and state enterprises were quickly executed, to the great joy of the people. Beijing Municipality, the national capital, set an example in the anticorruption campaign. It has been learned that, from August through October this year, the procuratorial organs at various levels in Beijing Municipality accepted 463 cases of embezzlement and bribe-taking, among which 149 were major and important cases. The defendants included a cadre ranking at the vice ministerial

level, nine cadres ranking at the bureau chief level, 22 cadres at the section chief level, and a fair number of enterprise managers and cashiers. The most serious case was that of Hua Zhen [5478 4176], cashier of a machinery and electrical equipment company, who embezzled a total of over 3.67 million yuan and, on top of that, misappropriated over 1.7 million yuan from public funds. These important criminals were promptly put on trial.

In the meantime, the CPC party and government leading cadres conducted self-examination and self-criticism in accordance with the "five principles of self-discipline" laid down by the center and took steps to strengthen the building of clean and honest administration, to accept comments and supervision by the masses, and to prevent the anticorruption campaign from becoming a mere formality. They have achieved marked results in these efforts.

In order to institutionalize the operation for combating corruption and promoting clean administration to consolidate the results and to provide cadres at various levels with laws and regulations to go by, the State Council issued a series of documents, including the "Regulations for Disconnecting Party and Government Organs From the Economic Entities They Run" and the "Circular on the Prohibition of Travel Abroad (or Outside the Mainland) for Sightseeing at Public Expense in Disguised Form." These decrees and measures were, on the one hand, intended to check the unhealthy trends and corrupt practices of seeking personal gain by abusing powers or exchanging powers for private benefit, which have caused utter indignation nationwide. On the other hand, the measures sought to further push ahead with the market economy reforms and clear the way for next year's many important reform proposals.

Recently, the CPC high-level authorities delivered several speeches on fighting corruption. First, they emphasized the need to continue to focus the anticorruption campaign on party and government leadership organs, law enforcement departments, and economic management departments. Second, they emphasized that tangible results must be achieved in this anticorruption campaign, and no department or unit is allowed to go through it perfunctorily. Third, they emphasized that committing new offenses while the campaign is going on is forbidden. The document of the Third Plenary Session, held in November, and Jiang Zemin's speech at the session reiterated the need to combat corruption. The 10 investigation groups sent by the central authorities, composed partially of leadership personalities delegated by democratic parties, began investigating the anticorruption progress in 20 central party and state organs on 19 October. All signs indicate that the high-level authorities in the center are very determined, very confident, and very demanding about the anticorruption campaign. There is a gap between them and the local cadres in terms of understanding and requirements. Therefore, the center has demanded that leaders at various levels keep up with the center in understanding and action, "take a

further step forward in unifying their thinking, improve their understanding, and firm up their determination and confidence in the anticorruption campaign in the near future." It is also stated that those departments and units which "are not efficient enough" must be fully and strictly investigated. Not only will the corrupt elements be punished according to law, but in-depth investigation will be conducted to find out if the problem is with the leading cadres.

On putting an end to the arbitrary imposition of fees and substantially reducing the financial burdens on enterprises and the general public, especially the peasant population, the center emphasized that no retrogression will be allowed. Though local governments have systematically scrapped hundreds and thousands of arbitrarily imposed charges, the practice of arbitrarily apportioning expenses among enterprises remains rife and must be stopped. As some financial and tax reform proposals, such as the "tax-sharing system," are about to be promulgated by the center, the phenomena of shotgun tax collection, splurging of public money, and transfer of funds have emerged in a small number of areas. If these loopholes in the law are not plugged, the results of the anticorruption drive will be greatly undermined.

It is almost the end of the year. According to the original plan of the CPC high-level authorities, a phased review will be made of the anticorruption work at the yearend, and arrangements for next year's work will be made. People are expecting that the anticorruption work will bring about visible results this year and will move on in greater depth next year.

Deng Theory Has 'Relationship' to Mao Thought

OW1612133393 Beijing XINHUA in English 1320
GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—Chinese scholars said here today that Deng Xiaoping has inherited and developed Mao Zedong thought.

The theory of building socialism with Chinese characteristics, by Deng Xiaoping, has a "blood relationship" with Mao Zedong thought and has developed it in a profound and all-round way, scholars agreed at a seminar on the centenary of Mao's birth, which falls on December 26.

"Mao integrated the universal principles of Marxism and Leninism with the Chinese revolution, and he advocated a line of seeking truth from the facts; all this has been carried on by Deng," said Han Rongzhang, from the Institute of Marxism and Leninism of the Chinese Academy of Social Sciences.

Deng has also inherited Mao's general views on socialism, for example, the basic principles for building socialism and the strategic target and developmental stages of socialism. In addition, Deng has inherited Mao's ideas on building socialism in a Chinese way, Han said.

Theoreticians and researchers from the Party School of the Central Committee of the Chinese Communist Party, the PEOPLE'S DAILY [RENMIN RIBAO], and the Chinese People's Liberation Army attended the seminar.

They maintained that Deng has developed Mao Zedong thought by demonstrating the nature of socialism, which lies in the liberation of productivity and the realization of common prosperity for the people.

Despite the setback the international communist movement suffered and the disintegration of the former Soviet Union, Deng pointed out that it is a law that capitalism will inevitably be replaced by socialism.

"Deng's theory of building socialism with Chinese characteristics has updated Mao thought," Chen Qianglin, another expert on Mao, said.

Scholars said that Deng mainly contributed to the establishment of the theory that China is in the primary stage of socialism and the theory of the socialist market economy.

The relationship between Deng Xiaoping's theory and Mao Zedong thought is now a hot topic among theoreticians, ordinary people and overseas observers, they said.

A correct understanding of their relationship would serve to discover the nature of Deng's theory and its position in the history of Marxism and Mao Zedong thought.

"This bears great theoretical and practical significance," Han said.

Centenary of Mao Zedong's Birth Celebrated

RENMIN RIBAO Cites Deeds

OW1712075793 Beijing XINHUA in English 0717
GMT 17 Dec 93

[Text] Beijing, December 17 (XINHUA)—The "PEOPLE'S DAILY" [RENMIN RIBAO] today carries a long signed article elaborating the major accomplishments of Mao Zedong, late chairman of the Communist Party of China (CPC) and founder of the People's Republic of China.

Written by Hu Sheng, a noted historian and philosopher who is president of the Chinese Academy of Social Sciences, the article says that Mao succeeded in two major accomplishments.

The first is that he led the Chinese Communist Party and the Chinese people in overthrowing the rule of imperialism, feudalism and bureaucrat capitalism in China and fulfilling the task of the democratic revolution.

Under the concrete circumstances in China, the Chinese revolution faced overwhelmingly powerful enemies. Therefore, it could not follow the models of revolutions

in other countries, but had to integrate the universal truth of Marxism-Leninism with the concrete reality of China and take a unique road of its own. Mao successfully challenged erroneous international influence, and found the only road leading the Chinese revolution to victory.

The second major accomplishment is that after fulfilling the socialist transformation using a method suiting Chinese conditions he made efforts to seek a road for China's socialist construction. In doing so, he led the whole party and the whole nation in resisting strong pressure from abroad and persisting in such efforts. Mao was not able to see the results of the efforts. However, as an initiator of the efforts, Mao and his historical contributions should be recorded prominently in history.

In 1956, the article recalls, Mao advocated that China should also find its own way in socialist construction and should neither copy the model of the Soviet Union nor repeat that country's shortcomings and mistakes. Later, he made some serious mistakes such as launching the campaigns of "The Great Leap Forward", "the people's communes" and "The Great Proletarian Cultural Revolution". But his purpose was to break away from the influence of the Soviet model and seek a new road suitable for the Chinese situation.

Although China's socialist construction was still heavily influenced by the Soviet model, China, under the leadership of Mao, did not completely follow the Soviet Union, but stood up firmly against the baton of Soviet great-nation chauvinism. This is the historical reason why socialist China still stands firm after the disturbance which took place in the Soviet Union and East European countries in 1989.

Since the third plenary session of the 11th CPC Central Committee in 1978 the Chinese Communists headed by Deng Xiaoping summarized the experience of the past, understood at last that China was still in the primary stage of socialism and found a road suitable for the situation in China, which is known as "one focus and two basic points", namely focusing on economic construction and adhering to the four cardinal principles, and pursuing the policies of reform and opening to the outside world.

The article concludes that the reform policy which has been carried out over the past dozen years is correctly continuing the efforts initiated by Mao Zedong and has realized Mao's hope that China would avoid the mistakes of the Soviet Union and follow a socialist road suited to its reality.

PLA Prints Series of Works

OW1612134293 Beijing XINHUA in English 1330
GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—The Chinese People's Liberation Army (PLA) publishing house has

turned out a series of works about Mao Zedong to mark the 100th anniversary of Mao's birth.

The books fall into two categories, studies of the late chairman's military thought and biographical works.

The works on Mao's military thought include "The Outline of Mao Zedong's Theory on Army Building", "The Theory of Mao Zedong's Military Dialectics", "A Basic Course on Mao Zedong's Military Thought" and "Collected Essays on the Study of Mao Zedong's Military Thought".

The books have presented historical facts regarding the development of the PLA and made in-depth analyses of Mao's military thought.

Shanxi Translates British Book

OW1712105393 Beijing XINHUA Domestic Service in Chinese 2113 GMT 22 Nov 93

[Excerpt] [Passage omitted] On the eve of Mao Zedong's 100th birthday, the Shanxi Renmin Publishing House published the Chinese version of the book *Red Tide—Mao Zedong and the Chinese Revolution* by Han Suyin (7281 4790 7299), a British citizen of Chinese origin as well as an internationally well-known female writer.

This book vividly and accurately describes major historical events which took place on the sizzling soil of China between 1893, the year Mao Zedong was born, and 1954, following the founding of the PRC. [passage omitted]

Guangxi Reports Results in Antinarcotics Fight

HK1712051293 Hong Kong WEN WEI PO in Chinese 13 Dec 93 p 14

[Unattributed report: "Guangxi Has Achieved Good Results In the Antinarcotics Struggle and in Seizing Illegal Firearms"]

[Text] The Guangxi Zhuang Nationality Autonomous Region has achieved remarkable results in its first special campaign against narcotics and firearms. In addition to cracking over 1,000 drug cases within the region, Guangxi has also cracked two particularly big transnational drug cases in which Chinese drug traffickers had collaborated with their Burmese and Vietnamese counterparts.

Following the Public Security Ministry's Conference on the Work of Seizing Narcotics and Illegal Firearms on the Southwestern Border in June, relevant quarters in Guangxi prepared the region's first special operations against narcotics and firearms for July through October. In the special operations, 1,133 drug cases and 893 drug-trafficking cases were cracked; 1,401 drug traffickers were arrested and 196 drug-trafficking gangs were smashed; 271.5 kg of opium, 60 kg of heroin, and over 1.2 million yuan in drug money were seized. Moreover, 77 firearms-trafficking cases were cracked, 145 firearms

traffickers were arrested, 16 such gangs were smashed, and 103 military firearms of various types and 5,088 cartridges were seized.

In recent years, taking advantage of the opening up of Guangxi's border area to the outside world and of Guangxi's long border, along which there is no natural barrier, Chinese and foreign drug traffickers have opened up a route in Guangxi for drug trafficking. Since Yunnan started a large-scale and intensive campaign against drug trafficking, many criminals have taken the Guangxi route, and now the Burma-Vietnam-Guangxi-Guangdong-Hong Kong-and-Macao passage has become a new route for drug traffickers. As a countermeasure to this new situation, Guangxi has formulated the principle of "banning the planting, trafficking, and taking of drugs" in a vigorous effort to eliminate drugs and block drug sources. Public security organs, the armed police corps, and customs have set up "three lines of defense" against cross-border drug trafficking. They have also taken effective measures against drug addiction. At present, Nanning, Wuzhou, and Liuzhou have already set up temporary drug addict rehabilitation centers, and special funds have now been set aside for a new center at Changnian whose construction is under planning. In several cities where the problem of drug addiction is serious, relevant hospitals have set up rehabilitation wards and offer outpatient rehabilitation services. Moreover, Guangxi's judicial and education-through-labor organs have set up two compulsory rehabilitation centers in Guilin and Nanning.

The agreement on the "Golden Triangle" Second Zone Drug-Banning Project, which concerns drug enforcement, the substitution of drugs by farm products, and drug quitting, treatment, and rehabilitation, has already been signed by China, Burma, and the United Nations and is now being implemented vigorously.

Lin Chaoqun, Guangxi Public Security Department chief, said that Guangxi will strive to block all major routes for firearms and drug trafficking and do away with major criminal gangs and that it will make great efforts to implement the Public Security Ministry's plan for "resolving the problem of firearms and drugs on the southwestern border in three years."

Survey Shows 'Support' for Various Reforms

OW1612075893 Beijing XINHUA in English 0712 GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—The Chinese general public has been showing close concern and support for the current reform of the economic structure, education and social service system.

This is the conclusion of the latest opinion poll, which has collected 42,065 reform proposals, conducted by the China Association for Science and Technology over the past year.

According to a survey report issued by the association, 8,064 suggestions from 30 provinces, municipalities and autonomous regions on the Chinese mainland focus on economic readjustment, holding the largest share of 20 percent among all the proposals.

It showed that ordinary people are becoming involved in the reform drive more actively.

An official of the association said that the economic improvement suggestions mainly focus on the restructuring of large and medium-sized state enterprises which have a direct bearing on people's employment and living standards.

Statistics showed that more than 70 percent of such proposals came from the "medium-developed" inland provinces.

The number of suggestions from the Tibet Autonomous Region, Qinghai Province and the Ningxia Hui Autonomous Region, in relatively underdeveloped western China, was less than other parts of the country.

Suggestions on improving the education system came second in the association's statistics, amounting to more than 7,300.

Officials said that these proposals mainly deal with raising education input and reforming the present education system.

More than 30 percent of the suggestions call for more governmental input in education, especially in education facilities in rural areas, where three-fourths of the country's 1.1 billion people live.

According to experts at the association, such a large number of proposals on education reform shows that improving the whole nation's education level has become an urgent task in China's modernization process.

Officials said that the social service system reform is arousing more and more attention among the public; over 6,700 proposals in this respect have been collected, representing the third-largest proportion.

Such proposals range from improving the social insurance system to readjusting medical services, population control, housing, environmental protection and reform of funerals and interment methods.

Experts noted that with the establishment of a socialist market economy, the relationship between individuals and the society will become closer and the people's involvement in social problems will increase.

In addition, reform of the science and technology management system and the anti-corruption campaign have also got top concerns among the common people, according to the survey report.

The poll was the largest of its kind ever held in China.

Tong Dalin, a leading economist, said the result of the poll has shown that the nationwide reform accords with the people's wishes.

"I believe that at least 90 percent of the people totally support the reform and open policy," he told a press conference here.

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HK1512100493 Beijing RENMIN RIBAO in Chinese
15 Dec 93 p 7

[Table of Contents for QIUSHI No 24, 16 December 1993]

[Text] Article by Geng Biao: "Emulate Mao Zedong's Work Style of Being Good at Summarizing Experience"

Article by Chen Junsheng: "Further Develop the Spirit of Self-Reliance and Hard Struggle—Understandings Gained From My Inspection of Henan's Linxian County"

Article by He Zhukang: "Firmly Grasp the Major Line of Developing Productive Forces"

Pen Discussions by Cheng Weigao, Yue Qifeng, Zhang Wule, Cao Hongming, Chen Xiwen, Liu Zhenwei, Wang Weitian, and Lu Xueyi: "Deepen Rural Reform, Accelerate Agricultural Development"

Article by Lu Li: "Base Ourselves on the Market When Promoting Township and Town Enterprises—Investigation Report on Shandong's Efforts to Promote Township and Town Enterprises"

Article by Liu Hui: "Seeking Truth From Facts Is an Essential Magic Weapon for China's Revolution and Construction To Win Victories"

Article by Zhu Xun: "The Historic and Immediate Significance of Mao Zedong's Instructions on Geological and Mining Work"

Article by Qiang Xiaochu: "Our Precious Heritage Must Not Be Abandoned—On Strengthening Ideological and Political Work During the Course of Reform and opening up"

Article by Zhu Bulou: "We Should Attach Importance to the Building of Spiritual Civilization During the Process of Opening up"

Selections of Contributions on Strengthening and Improving the Party Building of Enterprises: "Close Attention Should Be Paid to the Party Building in Enterprises in a Comprehensive Way"

Article by Huang Shixian: "Depict Trials and Hardships of Commercial Wars, Portray the Image of a New Generation—Comments on Television Series 'Chinese Merchants'"

Article by Lu Dezhi: "Establishment, Administration, and Accomplishment"

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Military

JIEFANGJUN BAO on Deng's Works

Notes 'Key Points'

HK1612113193 Beijing JIEFANGJUN BAO in Chinese
6 Dec 93 p 1

[Commentator's article: "Focus on Key Points and Gain a Thorough Understanding"]

[Text] Focusing on key points as well as gaining a thorough understanding was the call made in the CPC Central Committee's decision on studying Volume 3 of the *Selected Works of Deng Xiaoping*. Practice has shown this to be an effective means for study.

Volume 3 of the *Selected Works of Deng Xiaoping* is a historical record and theoretical summation of Comrade Deng Xiaoping's practice of providing guidance for China's socialist modernization drive, so it has substantial content. If we do not try to focus on the key points, we will have difficulty in arriving at a thorough understanding of the substance. It is all the more necessary for those comrades, whose theoretical level is low, to concentrate on the key points while meticulously studying the book so that they will get twice the result with half the effort.

What are the key points on which we must focus in studying the book?

The "decision" made by the CPC Central Committee and the "circular" issued by the General Political Department highlighted five points: The ideological line of emancipating the mind and seeking truth from facts, the scientific thesis on the objective of socialism and the party's basic line, the strategic task of seizing upon the favorable opportunity to develop ourselves "in three steps," the principle of "attaching equal importance to two types of work," and the patriotism of safeguarding China's independence and sovereignty and revitalizing the Chinese nation. These are fundamental elements of the theory of building socialism with Chinese characteristics and constitute the essence, theme, and basic standpoints of the book. Officers and men must also understand the general objective and the principles for army building. In studying the book, we should focus on these key points and do some hard thinking and research so that we can absorb the essence of the book.

In order to focus on key points as well as gain a thorough understanding of the book, we must combine extensive reading with intensive reading. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a scientific and comprehensive system. If we do not read the book from cover to cover, we will be

unable to get a complete picture and grasp and apply it as a whole; on the other hand, if we do not carefully and thoroughly understand the important theoretical viewpoints, we will be unable to absorb the essence of the theory, which is extensive and profound. Extensive reading constitutes the basis of intensive reading, while the latter is the intensification of the former. Many comrades' experiences have demonstrated that extensive reading can only provide us with a superficial knowledge, while intensive reading gives us a focused knowledge. For example, if we try to acquire a profound understanding of Comrade Deng Xiaoping's concept of army building in the new period, we must read the book from cover to cover; otherwise, we will be unable to understand the concept's role in the theoretical system or our Army's role in China's reform and economic construction, with the result that we will not be ready to act in the country's overall interest. After covering the whole book, we must carefully study the concept of army building in the new period and apply the concept to building up a modern army and to solving various practical problems arising from army reform and building.

The fundamental objective of focusing on key points and acquiring a thorough understanding of the *Selected Works of Deng Xiaoping* is to learn to apply to practice the stand, viewpoint, and method which finds expression throughout Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Comrade Deng Xiaoping shows his Marxist stand, viewpoint, and method by respecting reality and the masses and by being good at scientifically combining the fundamental tenets of Marxism with China's reform and economic development. Comrade Deng Xiaoping is also adept at sensing the direction in which things are moving and seizing upon favorable opportunities whenever they present themselves. He has carried forward the fine work of our predecessors and at the same time has broken with outmoded conventions. While drawing on the experiences of other countries, he refused to act the same way. Instead, he evaluated new experiences, created new methods, and blazed new trails, demonstrating his pioneering spirit. In the meantime, he has been far-sighted, broad-minded, quick in thought, has demonstrated unusual courage and resourcefulness, a strong will, and has handled affairs in a decisive manner, displaying his revolutionary work style. We should genuinely master the theory of building socialism with Chinese characteristics by studying the *Selected Works of Deng Xiaoping* and at the same time should develop a scientific attitude, pioneering spirit, and revolutionary work style. Therefore, we must try to arrive at a thorough understanding in the study. We should know the whys as well as the hows with respect to the important theoretical viewpoints expounded in the book; we should bear in mind the general conclusions that Comrade Deng Xiaoping drew from his experience in guiding China's reforms and economic development as well as think in a penetrating way about how these conclusions were drawn, and we should not only understand the great contributions he

has made in developing Marxism but should also profoundly study the track of his great practice and the principle he has followed in creating a new theory, so that we can completely and accurately master the theory of building socialism with Chinese characteristics and apply the theory to practice, providing a creative solution to the problems at hand.

Views 'Craze' To Study Book

HK1612100693 Beijing JIEFANGJUN BAO in Chinese
8 Dec 93 p 1

[Commentator's article: "Combine the Study of Volume 3 of the *Selected Works of Deng Xiaoping* With the Implementation of the Spirit of the Third Plenary Session"]

[Text] At present, the craze to study Volume 3 of *Selected Works of Deng Xiaoping* is rising throughout the armed forces. Many units have combined the study of Volume 3 of *Selected Works of Deng Xiaoping* with the implementation of the spirit of the Third Plenary Session of the 14th CPC Central Committee and have obtained very good results. This kind of practice is worth affirming.

The basic thinking of Volume 3 of the *Selected Works of Deng Xiaoping* is completely in line with the basic spirit of the Third Plenary Session. The "Decision of the CPC Central Committee on Issues Concerning the Establishment of a Socialist Market Economic Structure" adopted by the Third Plenary Session of the 14th CPC Central Committee under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics fully embodies a series of theses in Volume 3 of the *Selected Works of Deng Xiaoping*, especially the remarks he made during his trip to southern China in 1992. It makes Deng Xiaoping's economic theories concrete and systematic, especially the goal and principle of establishing the socialist market economic structure. Precisely because of this, for us to really grasp the Decision by the Third Plenary Session and to be clear about how the reform goal of establishing the socialist market economic structure was set forth, what fundamental basis it has, why we refer to it as the concrete pattern of socialist economy with Chinese characteristics, how we shall fully understand the historical significance of the decision with the "three beneficiaries" as the criteria, and so forth, we can only study Volume 3 of the *Selected Works of Deng Xiaoping* carefully and thus find the correct answers. Conversely, only by thoroughly studying the spirit of the Third Plenary Session can we have a deep and thorough understanding of the series of important theories and viewpoints in Volume 3 of the *Selected Works of Deng Xiaoping* especially those basic theoretical questions regarding the socialist nature, the characteristics of China's socialism, and the road to socialist construction with Chinese characteristics. We see, therefore, that we not only should but must closely combine the study of Volume 3 of *Selected Works of Deng Xiaoping* with study of the spirit of the Third

Plenary Session. The reason we are stressing the need to combine the study of Volume 3 of the *Selected Works of Deng Xiaoping* and the study of the spirit of the Third Plenary Session is because implementing the Third Plenary Session's Decision is the most immediate practical thing in connection with the study of Volume 3 of the *Selected Works of Deng Xiaoping*. The Third Plenary Session's Decision has constituted a basic framework for the socialist market economic structure and shows that, after making a great breakthrough in the theory of establishing a new economic structure, our party has begun to take a great leap forward in practice. Whether this decision can be properly implemented is bound up with whether the goal, steps, principles, and policies for socialist modernization—as set out in Volume 3 of the *Selected Works of Deng Xiaoping*—can be fully achieved and with whether the brilliant theory of building socialism with Chinese characteristics can flower and bear fruit in China. Therefore, one very important point for us to put the results of the study of the *Selected Works of Deng Xiaoping* into action is that we should implement the Third Plenary Session's Decision in deed. We should see that establishing and improving the socialist market economic structure will inevitably have a wide-ranging and profound influence on our economic, political, and political life and will put to numerous tests the troops' work in various areas and the thinking of officers and men in particular. This demands that, through studying Volume 3 of *Selected Works of Deng Xiaoping* and the spirit of the Third Plenary Session, we should continuously sharpen our awareness, change concepts, and make efforts to adapt our thinking and work to the development of the market economy. This is a very high demand. For many of our comrades, market economic theories are still a strange area, and they still do not have much knowledge about many new ideas, new viewpoints, and new concepts. If this situation remains unchanged, when we encounter specific questions in the process of deepening reform, we will tend to view new things—consciously or unconsciously—through obsolete concepts which are out of keeping with contemporary China's reality and which are out of keeping with the trend of progress of the times. We also see them in terms of our own personal success or failure, thus affecting the active implementation of the party's basic line. The initiative to support and participate in reform comes from resoluteness in thinking and theory. The Central Military Commission demands that the entire armed forces be armed with the theory of building socialism with Chinese characteristics. Nevertheless, this cannot be accomplished overnight but must be upheld unswervingly as reform is deepening. This is the most important task in our armed forces' ideological and political work at the present time as well as the most important task for implementing the spirit of the Third Plenary Session.

Establishing the socialist market economic structure has also set forth a series of completely new issues regarding the reform and development of the armed forces themselves. Despite the fact that our troops do not engage

mainly in economic work and are different from the local economic front, our armed forces are in the market economy environment and shoulder the heavy task of giving safe protection to reform and opening up and economic development and therefore are inevitably closely bound up with the development of the socialist market economy. The armed forces are part of society. As the socialist market economy develops, the working conditions and daily life of the comrades of the troops are becoming increasingly linked with the market economy. The implementation of every policy or measure for establishing the socialist market economic structure will surely bring about a series of new circumstances regarding questions such as their changing occupations, their placement, and employment security for their dependents and children. Moreover, it makes a higher demand on our military work, ideological work, management, logistic assurance, and on the style and method of leadership, among others. All this determines that only by combining the careful and thorough study of Volume 3 of the *Selected Works of Deng Xiaoping* and that of the spirit of the Third Plenary Session can we further emancipate the mind, be bold in bringing forth new ideas, vigorously and steadily proceed with the reform and development of the armed forces, do all work of the armed forces effectively and in a down-to-earth manner, and comprehensively improve the troops' combat effectiveness, thus contributing their due to the establishment of the socialist market economic structure.

Army System Incorporates County Departments

OW1712131093 Urumqi XINJIANG RIBAO in Chinese
27 Nov 93 p 1

[By Li Xinmin (2621 2450 3046): "Twenty-three County (City) People's Armed Forces Departments in Southern Xinjiang Reincorporated Into Army Organizational System"]

[Text] With the approval of the State Council and the Central Military Commission, twenty-three county (city) people's armed forces departments in our region—including Akus, Kashi, and Hotan Prefectures—were reincorporated into the army organizational system as of 1 November.

Thus far, with concrete assistance and guidance provided by the autonomous region, party, and government organizations of the three prefectures in southern Xinjiang as well as the Lanzhou Military Region, the handing-over has been concluded smoothly. The reincorporated people's armed forces departments have begun performing their duties under the military organizational system. Appropriate arrangements have been made for more than 130 cadres and workers handed over to localities. The handing-over was basically accomplished "all at once."

Hainan Holds Double-Support Work Meeting

HK1612101293 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 15 Dec 93

[Text] Yesterday afternoon the provincial leading group for double-support work held a provincial meeting to listen to a feedback report on the 1993 double-support work. Ruan Chongwu, provincial party secretary, governor, and leader of the provincial leading group for the double-support work; Chen Suhou, vice governor and deputy leader of the group; Gong Pingqiu, political commissar of the Hainan Military District and deputy leader of the group; and Zhou Chuantong, deputy political commissar of the military district and deputy leader of the group, attended the meeting.

The meeting pointed out: Since the beginning of this year, under the unified leadership of the provincial leading group for the double-support work and the guidance of the provincial office for the double-support work, on the basis of continuously consolidating recent years' achievements in the double-support work, our province has constantly blazed new trails in the double-support work, making it possible for the double-support work to gradually embark on the track of regularization and systemization. It has made conspicuous achievements in supporting the armed forces and providing preferential treatment for the families of soldiers and martyrs, in supporting the government and cherishing the people, and in conducting national defense education.

In his summation speech, Ruan Chongwu pointed out: Hainan has a glorious tradition in double-support work. In the past, [words indistinct]. After liberation, Hainan was designated a national defense outpost, where the people and soldiers joined hands in defending the motherland's southern boundary. In the five years since the establishment of Hainan Province, double-support work has played an important role in enabling the province to make achievements in reform, opening up, and economic construction. We should develop our glorious traditions and do a better job of the double-support work.

On the existing problems, Ruan Chongwu stressed the necessity of fulfilling the following three tasks:

1. In the coming few years, it is necessary to rectify problems in traffic management.
2. Armed forces units and localities should make joint efforts to severely crack down on criminals who destroy military installations and steal military goods.
3. Local governments and departments should make proper work arrangements for demobilized soldiers and [words indistinct].

On behalf of the military units stationed in Hainan, Gong Pingqiu expressed his heartfelt thanks for the local government and masses' enthusiastic support. The meeting approved the designation of (Sanzhou City) as a

model city in carrying out double-support work in 1993 and the appointment of five more members to the provincial leading group for the double-support work. It also made arrangements for the 1994 double-support work.

Economic & Agricultural

Zou Jiahua Discusses Product Competitiveness

HK1512052793 Beijing CHINA DAILY in English 15 Dec 93 p 1

[By staff reporter: "Adoption of World Standards Called Key"]

[Text] China will introduce more international standards as its main approach to improving the competitiveness of Chinese products on the world market.

The government will encourage enterprises to follow international standards in their production by granting favourable tax breaks and guaranteeing the supply of raw materials and energy.

Vice-Premier Zou Jiahua urged officials to set greater stock by this approach in the drive to achieve faster economic development.

"The adoption of international standards is an important measure to improve economic efficiency, products quality and enterprise management," Zou told participants at the Fourth National Meeting on Introducing International Standards.

By the end of last year, about 6,500 out of 16,900 State standards were based on the international code.

Li Rui, Vice-Director of the State Technology Supervision administration, expressed the hope that some 80 percent of national products will be based on international standards by the year 2000.

She said that such industries as metallurgy, chemicals, shipbuilding, automobiles, electronics and machinery will take the lead in adopting the international standards.

The vital infrastructure and hi-tech industries and the export-oriented enterprises are urged to follow the internationally-recognized standards in their production by the end of 1995.

Li hopes that about 50 percent of Chinese products will be made according to the international code by 1995.

The adoption of world technical and quality standards has been accepted by many provinces as an effective measure to improve the competitiveness of Chinese products in the world market.

For instance, Liaoning Province's earning of foreign currency has increased to more than \$1 billion from

\$173 million in 1986 because of the wide adoption of international standards, officials pointed out.

In Shanghai, China's largest industrial centre, about 50 percent of its industrial products were made based on international standards in 1991 and the percentage is still growing.

International standards refer to the ISO-9000 series of the International Standardization Organization (ISO) and technical standards from the International Engineer Council (IEC).

At present, the ISO and IEC have more than 11,700 standards, and China has adopted more than 4,400. Li said that the remaining will be gradually used in China.

Official Describes Economic Reform Plans for 1994

HK1712091093 Beijing CHINA DAILY in English 17 Dec 93 p 4

[By Sun Shangwu: "Official Reveals '94 Reforms"]

[Text] Economic reforms in 1994 will focus on setting up a modern enterprise system, improving welfare, insurance and housing, and continuing macro-economic control measures, said He Guanghui, Vice-Minister of the State Commission for Economic Restructuring.

New laws and regulations will support the reforms, he said. They will cover enterprises, securities, the State budget, labour, foreign trade, the central bank, commercial banks, insurance, futures and public accounting.

This means legislation will replace administrative means as the chief method of regulating the economy.

A comprehensive legal system is expected to be set up by the end of the century.

The vice-minister said State-owned enterprises will be reformed gradually.

Competitive ones will be turned into corporations. Profitable and well-managed large- and medium-sized enterprises can be turned into State-owned stock companies. Some will be turned into limited-liability companies or limited liability stock companies.

Qualified enterprises can set up companies with foreign investment and many will be able to merge and expand, He said.

Township enterprises and private hi-tech enterprises are also to be encouraged to become shareholding firms or shareholding co-operatives.

Small State enterprises may be sold, leased or contracted to non-governmental firms through a bidding process, He said, while debt-ridden and unprofitable State enterprises will be declared bankrupt.

Unprofitable hospitals, schools and other service institutions attached to State-owned firms are to sever ties with enterprises as part of an effort to lighten the burden on firms.

Measures are also to be taken to deal with over-staffing and social insurance.

Next year's financial reforms are to focus on taxation. Central and local taxes will be separated, thus ending revenue contracting between local and central governments.

Under the new tax system, all domestic enterprises will have to pay a tax rate of 33 per cent.

He also said the People's Bank of China should be empowered to control the money supply and that the country plans to set up policy-based lending banks.

These include the National Development Bank, the Import and Export Credit Bank and the Chinese Agriculture Development Bank, which will only handle policy-related loans.

Specialized banks are to turn into commercial banks to compete in the financial market.

More accounting, auditing and law offices as well as capital-evaluation agencies will also be set up to meet market demand, He said. The role of trade associations and chambers of commerce is also to be greatly expanded.

On rural reform, the government will increase land leases to farmers to encourage them to raise input.

He pointed out that shareholding co-operatives will be introduced in the rural non-agricultural business.

Macro-control over foreign trade is to be strengthened and trade associations are to play an important role in international co-ordination.

More enterprises will be given foreign trade rights, He said.

Policies on open zones, including special economic zones, development zones, open cities and free-trade zones are to remain unchanged.

The open areas, however, will expand from the coast, rivers and borders to traffic arteries. The service industry also hopes to attract more foreign funds.

Policies to attract overseas investment will shift from granting preferential treatment to creating a good investment environment, He said.

Government Reform 'Central Link' to Economic Reform

HK1612010093 Chengdu GAIGE SHIBAO in Chinese
No 503, 26 Nov 93 p 1

[By Tian Huiming (3944 1920 2494): "Wei Jie Says Central Link in China's Economic Restructuring Is Government Reform"]

[Text] Wei Jie, a 40-year-old Phd in economics, constantly sets forth new ideas which are "contrary" to "standard formulations."

In June, he said: "Inflation" at present is not severe, but what is severe is "all-round corruption." Not long ago, he sets forth a new viewpoint in another interview with this reporter: At present, the central link in China's economic restructuring should not be enterprise reform but government reform. We cannot implement other reforms if the government does not reform itself.

Wei Jie went to live and work in the countryside in northern Shaanxi. He successively read for a master's degree and a doctorate at university following the resumption of university entrance examinations and studied abroad. At present he is head of the department of economics and director of the Economic Research Institute of the Chinese People's University.

Wei Jie said: China's "Enterprise Law" has been promulgated for many years, but we still fail to implement it. The "Regulations Regarding the Transformation of the Operating Mechanisms of Enterprises Owned by the Whole People" have been drawn up for a year, but enterprises pour out endless grievances because they cannot really exercise the decisionmaking powers stipulated in the 14 articles, as if they can only see but cannot touch the moon. Why do enterprises not enjoy such good policies? The crux of the problem is that government reform lags far behind.

Wei Jie humorously and figuratively set forth the "father theory": In China, the government is the enterprises' "father," whereas enterprises are the government's "sons," and both have profound "blood ties."

In essence, enterprises should be economic organizations, but under a planned economy, all enterprises in China have become administrative units, which have the following three characteristics:

First, enterprises have changed their status into administrative units. There are exceptionally large enterprises at the deputy ministerial level, large enterprises at the departmental level, and medium enterprises at the office level. All enterprises are striving to upgrade their level.

Second, enterprises have adopted the management style of administrative units. Enterprises should focus on making profits, but they are now completely following administrative policies. Enterprises can be upgraded and factory directors promoted if they expand the scale of their production as much as possible and initiate as

many projects as they can. Hence, enterprise management is entirely centered on administrative signals.

Third, enterprises have an administrative structure. The relationship between enterprises should be guided by coordinated lateral ties on the basis of the socialized division of labor. However, for a long period of time, administrative barriers have been set between enterprises, which are divided into enterprises directly under the central authorities, enterprises under the provincial authorities, enterprises under the city authorities, and so on. As enterprises are blocked by administrative barriers, technological exchanges and personnel transfers between enterprises are rare.

The government is the supreme "commanding officer" of enterprises which have been transformed into administrative units. The "extraction" of enterprises and the government can be traced to the same origin.

When an enterprise is making profits, "father" will tell his "son:" Now you are rich, but your brothers and sisters are going hungry, you cannot turn a blind eye to this! It is reasonable and legal for the "father" to ask for money from his "son."

When the enterprise is in deficit, the "son" asks for a large amount of relief funds from his "father." It is also reasonable and legal.

Wei Jie's "Father theory" explains the fundamental reason why China has achieved so little in enterprise reform over the past decade or so and why the functions of the government and enterprises cannot be separated from each other.

However, how should the government reform itself?

According to Wei Jie's analysis, it is necessary to set up organs in accordance with the needs of the market economy. Organs which are needed by the market economy should be strengthened. On the other hand, there is no need to set up any organ if the sector can be regulated by the market.

Wei Jie said: If we are not determined to make every effort to thoroughly "transform their functions," organs will not be streamlined, the number of officials will not decrease, and corruption will not be wiped out, thus greatly affecting the coordinated implementation of economic restructuring.

Hence, if we have to select a breakthrough point in the overall systematic project of economic restructuring, Wei Jie held that this very breakthrough point should be government reform.

Territorial Deputy Becomes Bank of China Head

*HK1512072693 Hong Kong TA KUNG PAO in Chinese
15 Dec 93 p 2*

[Report: "Zhou Nan Confirms That Wang Qiren Is To Be Appointed Chairman of Board of Directors of Bank of China"]

[Text] When speaking about the report that Wang Qiren, incumbent deputy director of the Hong Kong and Macao Affairs Office, will be appointed chairman of the board of directors of the Bank of China, Zhou Nan, director of the XINHUA Hong Kong branch, said this is a normal personnel transfer and has no deeper connections whatsoever with the central government's policies toward Hong Kong and Macao.

When asked about the above personnel transfer, Zhou Nan said: As is known to all, China will further carry out financial reform this year, but lacks banking and financial professionals. Since Wang Qiren has been conducting financial business and is quite proficient in this line, he is naturally an ideal candidate for this post.

When questioned if the appointment will bring any benefit to Hong Kong, Zhou Nan said: "It depends on the perspective from which you judge the matter. He has taken care of Hong Kong and Macao affairs for a time, so he has a fairly good understanding of Hong Kong. If you examine the appointment from this angle, you will agree that Wang Qiren, who is familiar with Hong Kong's financial situation, has more strong points than someone who knows nothing about Hong Kong's financial affairs."

However, Zhou Nan stressed: "His transfer has no deeper connection with the central government's policies for Hong Kong and Macao."

State To Set Price Controls on Some Commodities

HK1612100593 Hong Kong CHING CHI TAO PAO in Chinese No 49, 13 Dec 93 p 28

[From "China Economic News" column: "State To Set Uniform Prices for 33 Types of Commodity Under Six Categories"]

[Text] According to relevant sources, the range of commodities under state pricing has been defined. At present, state pricing is going to be retained for 33 kinds of commodities under six categories. These commodities include:

Coal products: raw coal, mixed coal, lump coal, and slack coal (including washed coal and clean coal).

Electric power: electricity generated by networks following state-set prices and by localities; and thermoelectricity generated by thermal power plants funded and managed by the state.

Petroleum products: natural crude oil, natural gas, liquid natural gas, gasoline (covering the allocation prices for Class 1 stations at the central level and sales prices in 73 centrally controlled markets), kerosene, diesel oil, heavy oil, and naphtha.

Chemical industry products: xylene, and urea and ammonium nitrate produced by designated enterprises (covering the sales prices for the central-distributed categories) for agricultural use.

Metallurgical products: iron ores, steel ingots, billets; and section steel, slabs, tubing, and steel products for railroads.

Others: rates and charges for materials management enterprises at and above the provincial level, compensation for mineral resources, water resources charges, state railroad freight charges and passenger fares (covering luggage, parcels, and mail), airport and general aviation charges, and sewage and sundry charges.

'Debt Chains' 'Return With a Vengeance'

HK1612123093 Hong Kong HSIANG KANG SHANG
PAO in Chinese 13 Dec 93 p A-12

["Feature" by Guangzhou-based staff correspondent: "Debt Chains Between State-Owned Enterprises Return With a Vengeance"]

[Text] Domestic firms, especially state-owned firms, are experiencing some new problems and difficulties, the most serious of which is a shortage of capital.

The causes of the shortage of capital are very complicated. First, many localities launched projects without regard to their financial strength. They badly wanted success and were blinded by their desire to reap glory by endlessly expanding their investments. Between January and September, state-owned units chalked up a total of 401.5 billion yuan in investments between them, up 66.4 percent from the same period last year. Very little of this, however, was actually committed because the pre-investment financing was far from enough to meet requirements. A considerable amount of working capital was diverted to fill up the shortfall, with the result that normal production cycles were shoved aside by the excessive inputs required by an expansion of the production scale. Meanwhile, in rectifying the financial order, some local banks aimed only at fulfilling the requirement to tighten the money supply. They snatched all circulating funds deposited by firms, withheld lending, and made sure that more loans were called in than lent out. Some localities adopted a protectionist policy to curb capital outflows. They arbitrarily withheld bills or remittances, delayed settlement, and held up or retained payments between firms without paying compensation. Firms found themselves strapped for circulating funds and complained bitterly about it. Data from authoritative departments shows that by the end of this June, debt chains between large and medium-sized state-owned enterprises in China had reached 371.42 billion yuan, 38

percent of the nation's total funds in circulation. The debt chains of a state-owned enterprise in a southwestern province jumped from 6.7 billion yuan early this year to 9.98 billion yuan in August. As the rate at which debt chains increased was faster than the growth of industrial output value and sales, many firms had difficulties continuing production. Second, huge price rises for raw materials and a host of other factors have continually pushed up firms' costs, which was another reason for the shortage of capital. A survey shows that in the first six months of this year, the firms' average costs rose 30 percent and are still rising. Third, arbitrary apportionments and levies, which have become increasingly serious in some localities despite repeated warnings from the central authorities. Those authorities which oversee firms and various departments and units wielding power treat firms as gourmet food and always want to grab a piece. A province polled 100 firms and found that by this August, the total amount of all kinds of levies and apportionments had risen 20 percent from the same period last year. Reeling under these apportionments and levies, firms feel like draft animals.

What should domestic entrepreneurs do when faced with these problems and difficulties? Concerned personnel believe that firms should not have any illusions that the capital situation will suddenly improve. Because the state has already released 52.6 billion yuan in the first half of the year, it is a fact that the rate of increase of monetary circulation has topped 30 percent this year, while inflationary pressures remain in the second half of the year. Nor is it realistic to expect banks to increase lending considerably. But firms have the right to demand that banks conduct their business impartially; halt illegal discount lending, abusing lending power to obtain advantages, and demanding kickbacks or fees; and actively support regular production and operations. It is even more reasonable for firms to demand that banks observe account settlement procedures strictly, follow the rules, refrain from withholding remittances and bills, and help capital flows.

Concerned personnel believe that firms should not imagine that the government will inject huge "launching funds" to help solve debt chains, as it did two years ago; neither should they imagine that the long sought 14 independent management rights, including the right to refuse demands for levies, will be presented to them on a platter. Firms need to fight for each with tenacity. The experience of a firm is: Fight for any one of them whenever it is possible.

Daily Reports on Shareholding System

OW1612081993 Beijing XINHUA in English 0638
GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—The results of a recent national survey demonstrate that it is necessary for China to continue to experiment with the move to

turn state-owned enterprises into shareholding ones, according to the "PEOPLE'S DAILY" [RENMIN RIBAO] today.

The leading national newspaper reports that during August and September this year the State Commission for Restructuring the economy, the China Securities Regulatory Commission and the State Economic and Trade Commission made a survey of Shenzhen, Hainan, Shanghai and Sichuan, where many state-owned enterprises have been turned into shareholding firms.

The results of the survey showed that after the transition many state-owned enterprises were able to stand on their own feet, realize the separation of the functions of government from that of management, and keep the initiative in their own hands. Meanwhile, the property rights of the enterprises were divided rationally on the basis of scientific appraisal of their property.

Shareholding enterprises should be supervised by shareholders, intermediate social organizations and public opinion.

The survey showed that the shareholding system is playing an important role in the country's enterprise reform. Many difficult problems encountered in restructuring the industries and revitalizing state-owned enterprises can thus be solved.

All the 12 shareholding enterprises in Shanghai surveyed managed to increase their profits by 35 percent or more in 1992, with the biggest increase reaching 400 percent. In the first half of this year the profit increase rates of these enterprises ranged from 44 percent to 274 percent, compared with the same period of last year.

The five shareholding enterprises surveyed in Hainan Province made a mere 253 million yuan total post-tax profits in 1992. However, these enterprises made 331 million yuan in post-tax profits in the first half of this year—30.83 percent more than in the whole of last year.

A report of the survey team says that all these achievements showed it is necessary to firmly promote the shareholding system and make it an important channel for transforming the management mechanism of state-owned enterprises.

Article Calls Controlling Inflation 'Heavy Task'

HK1512144793 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0740 GMT 9 Dec 93

[“Special article” by Si Liang (1835 5328)]

[Text] Hong Kong, 9 Dec (ZHONGGUO TONGXUN SHE)—China is going to introduce new measures in price reform next year as an important move in quickening the establishment of a market economy structure to improve indirect price regulating mechanisms in the hope of reaching its final goal of subjecting commodity prices to market laws of supply and demand in a few years.

Recently, a mainland central official said that commodity price rises for 1994 will be limited to below 10 percent. However, mainland economic experts maintain that the general price index will rise by 11-12 percent (a little lower than the 13 percent this year).

Economic experts predict that the mainland's general price index this year is expected to rise to 13 percent or so. The recent national economic work conference, planning conference, and economic and trade conferences have stressed that in forthcoming price reform next year, China will strictly control prices rises of basic daily necessities and the rise of the cost-of-living index to reduce inflationary pressures so that it remains at a level acceptable to the people.

It is known that, in the future, the mainland will proceed with and deepen price reform, which will include many important parts, such as lifting price controls over competitive commodities and services, canceling the double-track system for prices of the means of production as soon as possible, quickening the process of subjecting factor prices to the market, rectifying officially set prices of a few commodities and services, and establishing and improving a system for depositing a few important commodities that have a bearing on the national economy and the people's livelihood. In short, the mainland's price reform is aimed at establishing and improving an indirect, market-price regulating system and mechanisms which use mainly the market to form prices.

Price reform is the first difficulty the mainland has encountered in the course of reform. China began price reform in an all-around way in 1987, and it was known then as “making breakthroughs” in price reform. With numerous difficulties and setbacks, the mainland has passed through the most difficult period of its reform and has made substantial progress. This is mainly reflected by the following facts: First, we have made breakthroughs in the highly concentrated official price system and great progress in changing price-formation mechanisms with the result that price controls over 70 percent of commodities have already been removed and the government now only controls grain, petroleum, coal, and electricity prices, and so forth. Second, we have made a fairly big step forward in the structural adjustment of prices, and prices of basic industrial products, which formerly remained at low prices, have picked up, with the result that their prices are in line with their production costs and subsidies have either been reduced or canceled. Third, we have ensured that enterprises have the power to fix product prices independently, increased the prices of farm products, and protected the interests of the peasants. Fourth, we have explored questions regarding a price system that suits the market economy. Price reform, which was one of the first reforms launched in the mainland's overall economic restructuring, must be continuously deepened in the future as the establishment of the market economic structure is quickened.

In recent years, the central government has considered it the general goal of macroscopic regulation and control to maintain a generally stable basic price level and has vigorously controlled the rise of the general level of commodity prices. Nevertheless, since the beginning of 1993, overheating caused by stock fever, fund pooling fever, real estate fever, development fever, and fixed-assets investments fever has not cooled, so actual investment has grown by 30 percent and the money supply has grown 24 percent. This has caused raw materials, energy, and transportation shortages to the extent of exceeding original capacity and quickening inflation. Commodity prices have risen to their highest level in five years with the result that the cost of living index (the inflation rate) in 25 cities has risen by more than 20 percent, thus greatly alarming the authorities. Controlling inflation this winter and next spring still presents a very heavy task.

The question of commodity prices has a bearing on tens of thousands of households and is always one of the most sensitive topics in the mainland's economic and social spheres. Price reform will surely have a rather great influence on commodity prices, making it possible for personal income to grow steadily and in a sustained way and enabling us to enjoy the fruits of reform and opening up. Despite price increases, the average monthly income of contract staff and workers had increased last year by 189 percent over 1979, and their psychological tolerance of price increases was strengthened, yet they still find it hard to bear double-digit inflation. Mainland economists argue that the smaller the increase in commodity prices the better, and that the previous "price stability" was in fact at the cost of increasing the state's financial burden by subsidizing enterprises and of sacrificing the economic efficiency of enterprises, and, therefore, it could not last long. They argue that in the coming price reforms next year, we should keep price increases below a maximum acceptable to society and ultimately enable the general public to really receive the benefits of price reform and economic development, and that only this is a good measure.

State Brings Real Estate Market 'Under Control'

OW1512150093 Beijing XINHUA in English 1433
GMT 15 Dec 93

[Text] Shenzhen, December 15 (XINHUA)—China has brought the once overheated real estate business under control and normalized the supply of land for construction.

A senior official from the Ministry of Construction told a press conference here today that a half of the country's real estate development firms have been closed or overhauled in an effort to ensure normal development of the industry.

Those affected had failed to meet the recently issued qualifications for real estate developers, said Song Chunhua, director of the Real Estate Division of the Ministry of Construction.

Meanwhile, he said, the rest are reapplying for business permits or new business status in accordance with the latest decree made by the ministry on qualifications of real estate developers.

"The real estate market is becoming normal," Song said.

He said that real estate price has been "steadily dropping" this year. The average price for a square meter of residential space was up 1.08 percent to 1,129.7 yuan in the January-August period. With inflation taken into consideration, the de facto price is shown to have dropped "markedly", Song said.

Meanwhile, China has spurred the construction of residential dwellings for ordinary urban residents by offering lowered land prices and tax reductions or exemptions, said the director.

"The investment structure of the real estate industry has thus been positively adjusted," he said, "since residential apartments are in urgent need."

More than 80 percent of communal buildings finished, being built or to be set up are for common residents, according to Song.

The government has also decided to bring down the price of residential apartments in the next year and set up a mortgage loan system, so that low-income residents can afford a home of their own, he said to the conference.

Song said regulations and policies have been issued by many local governments to bring the overheated market under control, such as those governing land buying, land developing, selling of real estate and the operation of intermediary bodies.

The country's first real estate law is expected to be promulgated next year along with other supplementary regulations, so that the real estate market will be governed by nationally unified standards, he said.

Song said that China will in the coming year set up standard requirements for intermediary organs and brokers in the real estate industry. The price assessor will have to be examined and registered.

Meanwhile, Song said, a governmental agency will be established next year to supervise market operations.

"In this way, legal market access and fair market competition can be guaranteed," he said.

Retail Sales Figures Increase in 1993

HK1612114093 Beijing ZHONGGUO XINWEN SHE
in English 0832 GMT 16 Dec 93

[Text] Beijing, December 15 (CNS)—China's total retail sales are expected to reach RMB [renminbi] 1 300 billion this year, 22 percent up over that of last year, according to predictions made by the Minister of Internal Trade, Mr. Zhang Haoruo.

Mr. Zhang spoke of the achievements made in six aspects of the circulation of goods at a national working session which opened here yesterday.

- Sales and purchases of internal trade enterprises have continued to increase steadily and meet the demands of agriculture and industry in a satisfactory way as well as the demands of the public.
- There has been a speeding-up of market construction with a batch of national standardized and high-quality markets being formed.
- Reform of internal trade enterprises has been speeded up, creating conditions to turn them into main marketing outlets.
- There has been further opening to the outside world with good progress made in the integration of the two kinds of markets and the two origins of resources. It is estimated that some 600 additional three type foreign-funded enterprises in the internal trade sector have been approved with contracted foreign investment of U.S.\$600 million.

With regard to next year, Mr. Zhang said that an emphasis would be placed on eight matters. First, appropriate arrangements would be made regarding principal commodity markets. Second, serious attention would be paid to macro-regulation and control in the field of goods circulation. Third, reform of the system of internal trade enterprises would be promoted. Fourth, market and circulation legislation would be speeded up. Fifth, further opening of the goods-circulation market would be expanded. Sixth, facilities for circulation would have increased investment. Seventh, emphasis would be given to staff training and the strengthening of the party and government organs in its fight against corruption. Eighth, government functions would be transferred and management over the circulation sector strengthened.

Machinery Industry Growth Rate Increases

OW1612113393 Beijing XINHUA in English 1106
GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—China is witnessing fast-growth in its machinery industry, whose total output value is expected to surpass 300 billion yuan this year, some 23 percent up from last year.

The output value of China's machinery industry had increased some 30 percent over 20 successive months, until July of this year. At that time, growth began to drop at a monthly average of 2 percentage points, according to an official with the Ministry of Machinery Industry.

"The fixed-assets investment for this year has stimulated demand for such products as electricity-generating equipment, automobiles and engineering machinery," the official noted.

In the first 10 months of this year, the machinery industry saw a total sales income of 277.1 billion yuan,

with a profit of some 15 billion yuan, up 38.6 percent and 22.3 percent, respectively, over the same period of last year.

Meanwhile, this sector's exports were valued at some 13.54 billion yuan from January to October, up 38.25 percent from the same period of last year.

The official said that compared with last year, this year's exports have been upgraded from labor- and material-intensive products to high value-added products, especially large generating units, which have been exported to Pakistan, Bangladesh, Indonesia, Vietnam and other countries.

Research, production and installation of equipment for key projects in the industry have been forging ahead, the official said. For example, two of the generating units developed for the Yantan Hydropower Station are actually experiments for the Three Gorges Dam Project. The ministry has set up an office especially to produce generators for Three Gorges.

'Power Price Hike' To Help Three Gorges Project

HK1712090493 Beijing CHINA DAILY in English 17
Dec 93 p 2

[By staff reporter: "Power Price Hike To Help Build Dam"]

[Text] China has put up the price of electricity to raise funds to build the world's largest hydro-electric project.

The government added 0.003 yuan (\$0.0005) to the price of each kilowatt hour in August.

And it is reckoned the move will channel nearly 3 billion yuan (\$517 million) a year to the Three Gorges Dam.

It was revealed by Lu Youmei, President of the China Three Gorges Project Development Corporation, at a two-day seminar which ended in Shanghai on Wednesday.

Lu said the government also plans to pump into the project all the net income from the Gezhouba hydroelectric plant, currently the biggest in China.

The two channels will provide about 32.7 billion yuan (\$5.6 billion)—62 percent of the cash needed to finance the Three Gorges project in the next 11 years.

Lu said the government was looking to other channels to raise the other 20.8 billion yuan (\$3.5 billion) needed before the first generators go into operation.

The Gezhouba Hydro-Power Plant will also be restructured into a shareholding company and list its stocks at home and abroad.

The plant, in the middle reaches of the Yangtze River, can generate 1.57 billion kilowatt-hours a year. Its net income last year was 800 million yuan (\$138 million).

China hopes to attract foreign capital for the Three Gorges project, including export credits, commercial loans and support from international financial institutions, Lu said.

Bonds and investment funds will also be floated at home and abroad to raise capital.

Lu was confident the Three Gorges project will attract domestic and overseas investors.

Despite the 17-year construction period, he foresaw few, if any, risks for investors.

Credits and interest would be repaid from the huge economic results expected when the dam goes into operation, he explained.

It is estimated the static cost of the project will be 50 billion yuan (\$8.8 billion) on May 1993 prices.

With the costs of power transmission and resettlement, the total investment will be 95.4 billion yuan (\$16.7 billion), discounting inflation.

Lu said his corporation also wishes to co-operate with domestic and foreign academics, engineers and financiers.

China also hopes overseas Chinese, including those in Taiwan, will help build the dam, he said.

Businessmen from Taiwan could invest in the project, provide loans or contract some projects with their own capital, said Lu.

They could also provide consultations on management, technology and finance during construction, he said.

Beijing Plans to Lower Car Import Tariff

HK1712093393 Hong Kong TA KUNG PAO in Chinese 15 Dec 93 p 5

[Report: "Lu Yansun, Vice Minister of Machine-Building Industry, Stresses in Hong Kong That China Plans to Lower Tariff on Imported Cars by 70 Percent"]

[Text] Yesterday, Lu Yansun, vice minister of machine-building industry, said in Hong Kong that next year, China will lower the customs tariff on all imported cars from the current rate of 180-220 percent to the future rate of 110-150 percent.

The general level of the customs tariff on imported cars will be lowered by 70 percent, and different rates will be fixed for cars with different engine capacities. Lu Yansun indicated that after China unifies exchange rates, the customs tariff on imported cars will be further lowered.

Zheng Guowei, director of the Imported Equipment Office of the Ministry of Machine-Building Industry, said that also the domestic production of cars had

increased substantially, cars remained in short supply. In August 1993, 14,400 cars and vans were imported from the United States.

In recent years, China's car industry began to develop. Cars produced by joint ventures with German, French, and Japanese carmakers can now be found everywhere in the streets. Last year, China produced 150,000 cars. This year's output is expected to reach 250,000. Zheng Guowei said that one-third of the cars in the market were purchased by individuals.

He said that China must develop the car industry, and the objective is to bring cars into families. He believed that after lowering the customs tariff, China would consider how to protect the young industries such as the carmaking industry.

He said that the steps of lowering customs tariffs and increasing domestic production will effectively check car smuggling.

Zheng also said at yesterday's symposium on China's industrial development that China's importation of mechanical and electrical equipment increased by over 40 percent every month over the same period last year, but exports increased only by 11.1 percent. This year, the total value of machine imports amounted to about \$50 billion, and the value of exports amounted to more than \$20 billion.

He said: The largest volume of imported mechanical and electrical equipment came from Hong Kong, which was followed by Japan, the United States, Germany, Taiwan, Russia, Italy, and France.

He also admitted that some imported goods were secondhand equipment but being sold at the prices of new products, or inferior commodities but being sold at the prices of high-quality products. This caused losses to the state and enterprises concerned. He said: Foreign investors who are determined to seek long-term development in China must bring advanced technology with them, and the Chinese side will also more carefully appraise their assets.

School on Intellectual Property Rights Opens

HK1612092593 Beijing CHINA DAILY in English 16 Dec 93 p 3

[By staff reporter Xie Liangjun: "New School Starts on Rights Track"]

[Text] China's first school to teach and research intellectual property rights [IPRs] was opened yesterday in Beijing.

The move is seen as a step toward improving the country's protection of things like trademarks, patents and copyrights.

Beijing University sets up the new school at a time when more and more Chinese people have come to realize their importance.

It has also come as many developed countries, the United States in particular, are putting increased pressure on China.

Gao Lulin, Director General of the Patent Office of China, said at the school's opening ceremony that China is trying to switch its domestic market and economy to the track of international ones and this would create a huge demand for experts in intellectual property rights.

He added China has won international praise for the legal moves it had made to protect the rights in the past 15 years.

Since 1982, China has published the Trademark Law, the Patent Law and the Copyright Law and its detailed regulations. However, Gao acknowledged there had been some problems in implementing them.

The Beijing University Intellectual Property Rights School is committed to training China's senior professionals in the area.

The school has now opened courses for graduates and those with double degrees. The first group of 45 students were enrolled early this year from Beijing University's science and engineering students.

During their two or three years' study, these students will learn various laws covering science and technology trademarks, copyrights, and the protection of computer technology, plus technical and contract law and international, economic and criminal laws.

Professor Luo Haocai, Deputy President of Beijing University, said the school will open to other Chinese students next year and later to those from Hong Kong, Macao, Taiwan and foreign countries.

Luo said the school plans to invite well-known Chinese and foreign scholars to lecture or to work as professors.

The State Education Commission has so far allowed no degrees in the field, although some universities and colleges have started courses.

Many Chinese scholars and entrepreneurs have called for degree courses to be set up as soon as possible.

They argued that with science, technology and management expertise playing an increasingly important role in national economic growth, the demand for talents in this area will grow.

Guangzhou Customs To Classify Trade Firms

HK1512144693 Beijing XINHUA Hong Kong Service in Chinese 0800 GMT 8 Dec 93

[By correspondent Lin Jianping (2651 1696 1627) and reporter Wang Chuanzhen (3769 0278 4176): "Guangzhou Customs To Exercise Three-Tiered Management of Import and Export Enterprises"]

[Text] Guangzhou, 8 Dec (XINHUA)—To accelerate the speed of going through formalities, beginning on 1 January next year, Guangzhou Customs will classify all import and export enterprises registered with it into grades A, B, and C according to different standards and will exercise different management styles accordingly.

It is reported that Grade A enterprises will be given priority in going through examination and approval formalities, such as declaration, tariff payments, reduction and exemption of tariffs, registration of contracts, and verification and writing off. The declaration of several lots of goods approved for import or export can be made at the same time, and payment of tariffs of such lots of goods can be made at the same time on a fixed date. Unless otherwise governed by special customs regulations, tariffs for import or export goods whose declared prices are correct will be calculated according to the declared prices. Only declaration is required for import or export commodities which are not restricted by the state. In special cases, when it is not yet possible to submit commercial bills and documents, formalities can be carried out first, and the relevant bills and documents can be submitted later.

Enterprises which are not properly managed, have confusing ledgers, do not go through customs formalities accordingly, delay in payment of tariffs, smuggle goods, or violate regulations will be classified as Grade C enterprises. The customs authorities will regard these enterprises as key enterprises for supervision and will regard goods imported or exported by them as the focuses of their inspection.

Enterprises that fall between grades A and C are classified as Grade B. For these enterprises, the customs authorities will continue to handle formalities according to the existing procedures.

This reporter has been told that the Guangzhou Customs has carried out investigation and appraisals of import and export enterprises which are in its charge. Import and export enterprises that meet the Grade A requirements have begun to submit written applications to the customs authorities in their area to obtain official Grade A status.

East Region

Shangong's Qingdao To Receive Oil Depot

OW1612095893 Beijing XINHUA in English 0856
GMT 16 Dec 93

[Text] Beijing, December 16 (XINHUA)—China's largest oil depot will be built in Qingdao, a port city in east China's Shandong Province.

Located in the city's economic and technological development zone, the first sector to be opened in the depot will cover an area of 660,000 square meters and involve an investment of 60 million U.S. dollars.

By June of 1995, a crude oil depot with a storage capacity of 300,000 tons and a processed oil depot of 100,000 tons will be completed. The depots are designed to handle 2.2 million tons of oil every year.

The depots will provide oil for refineries in northern China and for the world market.

The project will be jointly funded by the Qilu Petrochemicals Corporation, the Qingdao Oil Corporation and a Hong Kong company.

Shanghai Securities Market Becomes 'Largest'

OW1712075993 Beijing XINHUA in English 0718
GMT 17 Dec 93

[Text] Shanghai, December 17 (XINHUA)—The Shanghai Securities Market has developed into the country's largest, with daily transactions totalling 2.5 billion yuan.

People across the country, including Lhasa, capital of the Tibet Autonomous Region, can trade on the market via satellite.

The Shanghai Securities Market was the first in the People's Republic of China to open in December 1990.

Its listed stocks have increased from eight in 1990 to 119 at present. These stocks are valued at more than 20 billion yuan.

The number of the people who sell and buy stocks jumped from 30,000 in 1990 to 4.6 million at present.

An official in charge of the market said that the market has expanded from 25 members three years ago to 480 at present and its business covers the whole of the Chinese mainland.

According to the official, the market is to expand its business worldwide.

Since February 1992, when the Shanghai Securities Market issued its first B-share stock overseas, the official noted, it has listed 18 such stocks and the number will climb to 22 by the end of this year.

In addition, the market has entrusted over 50 security companies overseas to market its stocks.

Zhejiang Adopts Measures To Assist Disabled

OW1712075893 Beijing XINHUA in English 0725
GMT 17 Dec 93

[Text] Hangzhou, December 17 (XINHUA)—East China's Zhejiang Province has taken effective measures to promote the welfare of its two million disabled people.

The provincial government has created a better climate for the lives of handicapped people by improving rehabilitation facilities, providing education and suitable employment opportunities and enriching their cultural activities.

The past five years have witnessed a total of more than three million yuan (about 500,000 U.S. dollars) allocated to implement a large-scale rehabilitation program for disabled people in the province.

Thanks to surgical operations and rehabilitation training offered by the program, 40,000 people have been cured of cataracts and nearly 10,000 infantile paralysis sufferers have been cured. In addition, thousands of deaf children have had their hearing improved markedly.

So far, the province has 51 special education schools capable of enrolling about 5,000 disabled students, double both the number of schools and the enrollment of five years ago.

Doors of polytechnic schools and colleges are also open to qualified handicapped young people today.

The employment rate of handicapped people is rising despite the fierce competitive environment, due to the effective efforts of local governments at all levels to help the disabled earn their own living.

Apart from building welfare enterprises, the provincial government has stipulated that the proportion of the disabled in a unit must be 1.5 percent.

Half of the disabled people able to work have got steady jobs.

Art ensembles of the disabled have been established and their performances are highly praised by audiences both at home and abroad.

A total of 4,000 handicapped people have participated in a variety of sports meetings during the past five years.

Central-South Region

Shenzhen 'Hawkers' Attack City Inspectors

HK1712034093 Hong Kong MING PAO in Chinese 17 Dec 93 p a13

[By special reporter Wang Lin (3769 3829): "Violent Incident in Shenzhen, in Which 200 Hawkers Attacked City Management Supervisory Team, Has Shocked the Public"]

[Text] Recently, more than 100 inspectors of the Shenzhen City Management Supervisory Team were attacked by more than 200 hawkers in the Dongmen Market when the former tried to accuse some hawkers of locating their stalls in violation of the rules. In the incident, more than 10 inspectors of the supervisory team were injured, and a truckload of confiscated goods was taken by the mob forcibly. The incident shocked the whole city of Shenzhen, and aroused strong repercussions among the general public. The authorities have issued an order to thoroughly investigate the incident. For the time being, no one has been arrested.

At 1530 on 5 December, more than 10 inspectors of the city management supervisory team in Shenzhen's Luohu District inspected the Dongmen Market along Jiefang Road. This was a rather large-scale inspection action in the district during that period. On approaching an electrical appliance shop, the inspectors found that some goods had been placed on the sidewalk.

The inspectors required that the shopkeeper remove the goods immediately, and imposed a fine of 300 yuan on him. However, the shopkeeper, surnamed Du, refused to pay the fine and swore at the inspectors, complaining that he had already paid a fine of 200 yuan the previous day and had no money to pay another. The inspectors then explained the relevant rules to the shopkeeper, saying that a more serious penalty had to be meted out to him as he had repeated the same irregular practice.

The shopkeeper was angry and tore up the citation on the spot. He then threw his cellular phone at an inspector's head, saying he would attack whoever tried to remove his goods. The shopkeeper also used the cellular phone to call a group of people who carried iron pipes wrapped in newspaper. They chased and attacked the inspectors.

The inspectors did not give in, and fought the group of thugs headed by the shopkeeper Du. It was Sunday, and many hawkers had set up their stalls nearby in violation of city management rules. Many of them had been fined in the past. When seeing that the shopkeeper and his friends could not match the inspectors in the fight, about 200 people gathered to join the fight, and beat up the inspectors.

The disorder became very serious. As there were no police present, the situation got out of control. A large crowd of hawkers surrounded a number of inspectors,

cuffing and kicking them. At that moment, two patrolling policemen passed and observed the situation. However, they found that they could not match so many people in the mob and could not check the disorder. The hawkers continued to use bricks and bottles to attack the inspectors.

Some inspectors fled, seeking shelter in a vehicle. The rioters then threw stones and bottles at the vehicle, used iron rods to pry open the doors, and tried to overturn it. An inspector, who was being chased by rioters, fled into the Telecommunications Building 200 to 300 meters away. Several inspectors received serious back and chest wounds.

The number of rioters involved in attacking the inspectors exceeded 200, and the number of onlookers exceeded 1,000. The event lasted nearly an hour, and all of the inspectors were injured. The mob forcibly seized a truckload of confiscated goods.

This incident also caused a traffic jam in the nearby area. The incident shocked the whole city and aroused strong social repercussions. At present, the authorities are still investigating and handling the incident. The CPC committee in Luohu District recently held a meeting to review the law and order situation, and issued an order to investigate and handle the incident seriously. For the time being, no one has been arrested.

Guangdong Firm To Pay Fine for Patent Violation

HK1712090093 Beijing CHINA DAILY in English 17 Dec 93 p 1

[By staff reporter Liang Chao: "Firm Fined for Patent Violation"]

[Text] A Guangdong company has been ordered to pay more than 210,000 yuan (\$36,206) to a Beijing competitor as compensation for infringing its computer software copyright.

The order was given yesterday by the Beijing Haidian District People's Court after a four-hour public trial.

"It may be the largest sum of compensation ever to be paid by a defendant in such a case heard by a Chinese court," Wang Xingguo, presiding judge of the district court, told reporters.

The accused, the Zhuhai Electronic Technology Development Company in South China's Guangdong Province and its Beijing businesses office, were convicted of illegally copying and selling a software named Cross Debugging Windows (CDW) that was developed by the Beijing East Computer Institute.

Starting early this year the company has sold some 250 sets of the software at low prices, using false names like ATD-98C and ATT-98C, the court reported.

Shi Xiaonan, head of the Zhuhai company, said his company only sold 23 sets of the software, making about 20,000 yuan (\$3,448) in profits.

The software was registered at China's Software Registry Centre on February 26, 1993, with the copyright valid for 25 years.

A series of laws issued several years ago protect both overseas and domestic patents, trademarks and other intellectual property, including computer software.

However, court cases have been increasing.

Southwest Region

Guizhou Establishes Department of State Security

HK1512140593 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 14 Dec 93

[Text] Out of consideration for state security in this new situation, the Guizhou Province Department of State Security was formally established yesterday afternoon. Wang Guanghui was appointed director of the department. Governor Chen Shineng and a person in charge at the Ministry of State Security unveiled the signboard of the newly established Guizhou Province Department of State Security.

As learned, the provincial department of state security has been established to cope with the development of the covert struggle in the domestic and international situation. Its main task is to take charge of the province's anti-espionage work and relevant state security work; to conduct struggles on the covert front; to safeguard and promote reform, opening up, and socialist modernization; to promote the motherland's reunification; to strengthen the people's democratic dictatorship; to preserve political stability; and to guarantee the country's security.

Liu Fangren, Wang Siqi, Hu Kehui, Xia Guohua, Wang Chaowen, Long Zhiyi, Liang Mingde, Zhu Qi, Liu Yulin, and others were present at the opening ceremony. Liu Fangren, Hu Kehui, and the person in charge at the Ministry of State Security delivered speeches.

'Roundup' Views Sichuan's Export Economy

OW1712073693 Beijing XINHUA in English 0631
GMT 17 Dec 93

["Roundup": "Sichuan Boosts Export-Oriented Economy"]

[Text] Chengdu, December 17 (XINHUA)—Southwest China's Sichuan Province is making big strides towards an export-led economy.

According to the latest statistics issued by the provincial Committee of Economic Relations and Trade, Sichuan absorbed 2.4 billion U.S. dollars in the first nine months of this year.

This was an increase of 4.6 times over the same period of last year.

In addition it approved the setting up of about 4,000 foreign-funded enterprises last year, ranking first among all the provinces and regions in western China.

Known as a "land of plenty," Sichuan, which accounts for one 16th of the nation's total territory, took the lead in the country in carrying out rural reform featuring the contract responsibility system with the family as the basic unit and has succeeded in feeding one tenth of the country's population.

It has played a decisive role in China's national economic development as well as in the supply of raw materials for industrial use, and farm and sideline products to eastern China.

However, the gap in economic development between this, China's most populous province and coastal areas widened in the 1980s. A survey report shows that by the end of 1980s Sichuan had less than 500 overseas-funded enterprises involving about 500 million U.S. dollars.

Vowing to catch up with the coastal areas, Sichuan began to work out preferential policies for foreign investment last year while sending people to other parts of the country and overseas to publicize the province and hold trade seminars.

It drew foreign investment totalling more than one billion U.S. dollars and approved the establishment of 1,000 foreign-funded enterprises in 1992, both figures exceeding the totals for the previous 14 years.

According to statistics, the province had absorbed a sum of 1.72 billion U.S. dollars and approved the setting up of 1,914 foreign-funded enterprises by the end of last year.

Encouraged by the provincial government, state and collective enterprises and private businesses have imported investment and advanced technology and equipment from Hong Kong, Macao and neighboring countries.

A survey report shows that Sichuan secured the import of more than one billion U.S. dollars at several trade fairs held in Hong Kong, Macao, Bangkok, Seoul and Moscow this year.

A number of noted foreign consortiums have invested in Sichuan, including Australia's broken hill proprietary, which is helping the province tap lead and zinc deposits.

An official of the provincial committee of economic relations and trade said foreign investment in Sichuan this year can be characterized by its large scale and focus on production projects.

Investment in projects approved this year averages 1.3 million U.S. dollars each, up from one million U.S. dollars last year and 300,000 U.S. dollars in 1987.

In addition, according to the official, more and more foreign businesses are shifting their attention from large and medium-sized cities, including Chengdu, Chongqing, Deyang and Mianyang, to small cities and remote mountainous areas where ethnic minority people live in compact communities.

At present, Sichuan is concentrating on improving transportation, energy and telecommunication facilities to pave the way for more foreign investment.

Compulsory Education To Be Used in Tibet in 1994

OW1612075493 Beijing XINHUA in English 0715 GMT 16 Dec 93

[Text] Lhasa, December 16 (XINHUA)—Southwest China's Tibet Autonomous Region is to introduce compulsory education, starting in 1994.

Ten counties have been chosen as pioneers, according to a bill drafted in May this year by the region's education commission, a move which will eventually make education accessible to every child over the age of six.

Due to practical difficulties arising from the remoteness of some parts of Tibet, the bill allows a grace period for postponing school-attendance up to nine years old.

The length of compulsory education ranges from four years in pastoral areas to six years in agricultural areas and nine years in major cities and towns.

The bill also lays down guidelines for collecting educational funds, pointing up that part of the state financial subsidies designated for other purposes can be channeled into education.

The state, meanwhile, will allocate more money to the region to help boost education there.

An official of the regional financial department said all cities and counties are encouraged to pool money through various means to help ease the fund shortage in the region's education.

Gyaincain Norbu, chairman of the regional government, said, "The last gap in China's compulsory education program will be filled soon by Tibet."

China promulgated a compulsory education law in 1986. All the country's provinces, municipalities and autonomous regions, apart from Tibet are carrying out the program.

Before 1951, the region, covering 1.2 million sq km, had only six schools and an enrollment of less than 2,000 students.

Thanks to several decades of steady development, the region now has more than 3,100 primary schools and over 70 middle schools, with more than 230,000 students attending.

Premier Lien Urges Beijing To Improve Ties

OW1712083093 Taipei CNA in English 0803 GMT 17 Dec 93

[By Lillian Lin]

[Text] Taipei, Dec. 17 (CNA)—Premier Lien Chan Friday [17 December] called on Beijing to accept Taipei's goodwill and sincerity and help promote exchanges in media and communications, economy and finance, culture and art, and science and technology.

Addressing a year-end luncheon of the Executive Yuan Press Association, the premier expressed his wish to change the basis of the cross-Taiwan Strait relationship from a "zero-sum" game to a "win-win" situation.

Lien pointed out that developments in cross-Strait relations were not satisfactory, and blamed the difficulties on "prejudices stemming from our forty years of separation."

Saying that Beijing is blocking the free flow of information and hindering the peaceful unification of China, Lien reminded the Communist Chinese authorities that "a closed-door policy is against the tide of the times and is surely doomed to fail."

He said the people in Taiwan and on the mainland are members of the same family, and Beijing should leave behind the "either you or me zero-sum conflict" and join Taipei to create a "win-win situation."

Calling on Beijing to join Taipei and "close the gulf that divides us through the exchange of information," Lien said authorities on both sides of the Taiwan Strait should boost exchanges, especially in media and communications, economy and finance, culture and art, and science and technology.

Beijing 'Enmity' Prevents Cross-Strait Air Links

OW1712092093 Taipei CNA in English 0831 GMT 17 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 17 (CNA)—Present legal, political and security considerations prevent the opening of direct airlinks between Taiwan and Mainland China, the Mainland Affairs Council (MAC) said Friday [18 December].

The Republic of China [ROC] Government has consistently advocated opening up direct transportation links across the Taiwan Strait at the appropriate time, MAC officials said. However, they added, the opening of such links would take place only if carried out under the pre-conditions of dignity, orderliness and security.

"Were the Chinese Communists to adopt concrete measures to abandon their enmity toward us, renounce the use of military force against Taiwan, no longer deny us as an equal political entity, and not obstruct our participation in international activities, the two sides could start

negotiations on aviation and navigation to attain direct transportation links across the Taiwan Strait," the official said.

In a position paper released Thursday concerning direct transportation links, the cabinet-level MAC said the mainland authorities have treated the issue as more than simple economics.

The nature of transportation links across the Taiwan Strait is more political than economic, MAC officials said.

MAC officials added that if the Chinese Communists really intend to resolve the issue of direct transportation links prior to the reunification of China, they should demonstrate mutual respect and first eliminate the political, legal and security obstacles they have erected.

Politically, the Chinese Communists should no longer deny us as an equal political entity, MAC said.

"If the Chinese Communists insist on maintaining the attitude of a central government dealing with a local government, then there is no basis for carrying on with negotiations to establish air links or sign an agreement," they explained.

Legally, the vessels and aircraft of both sides of the Taiwan Strait have their own national identity, are governed by different laws and regulations, and answer to different regulatory agencies, MAC added.

"Therefore, only when both sides confer mutual recognition and respect the laws and legal system of each side can all problems confronting the establishment of direct transportation links between the two sides be resolved, and the proper order for direct transportation links be established.

As for security obstacles, MAC officials explained, the Chinese Communists still bear enmity toward the ROC and have been expanding their air and sea armaments in recent years. Under such antagonistic circumstances, direct transportation links between the two sides would affect Taiwan's early-warning capability, they added.

"This would have an enormous impact upon the security of the Taiwan area which lacks deep strategic deployment," MAC said.

Negotiator Previews Talks on Hijackings

OW1712043993 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 16 Dec 93

[From the "Hookup" program]

[Text] In referring to the question of repatriating plane hijackers, the most eye-catching item on the agenda of the upcoming talks in Taipei between the Strait Exchange Foundation [SEF] and the Association for Relations Across the Taiwan Strait [ARATS] before the

departure of ARATS' representatives to Taiwan, Hsu Hui-yu, the SEF chief negotiator, openly expressed the hope that the question of expatriation and the stand of both sides of the strait will be clearly written down to prevent future disputes in the actual implementation. Here is a report by Yany Jinhui:

[Begin recording] [Yang] On the eve of the departure of the ARATS representatives to Taiwan, chief SEF negotiator Hsu Hui-yu openly stated our stand on the question of repatriating plane hijackers, which is one of the most eye-catching topics for discussion in the talks in Taipei. He said: In their initial talks held in Xiamen, SEF and ARATS agreed on two points regarding the repatriation question. The first was the principle of (?reciprocity); the two sides agreed to hand over plane hijackers to the side that owns the aircraft for investigation and punishment. The second was the principle of separating personnel from aircraft; hijackers would be detained until a decision is made on the jurisdiction over them. However, at present, the SEF and ARATS have different views on hijackers. [Words indistinct] because administrative institutions cannot determine the judicial procedures.

In addition to this difference, SEF has emphasized two principles: First, the judicial system must be upheld; and repatriation should be effected after the completion of a certain legal process and [words indistinct] should not be repatriated. Second, out of humanitarian considerations, political offenders should not be repatriated. To avoid disputes over the actual implementation in the future, both sides should put their stand on repatriation in writing. This is what Hu Hui-yu said:

[Hsu] On the question of a negotiating (?format), what I have just said are relatively abstract principles. We, of course, hope that these principles will be put into writing to avoid disputes in the actual implementation in the future. I think that both sides' stands should be clearly recorded in writing to prevent disputes in the actual implementation.

[Yang] Furthermore, on the sensitive questions of sovereign rights and judicial jurisdiction, Hsu Hui-yu reiterated: In light of the conditions currently prevailing across the strait, it will be impossible to draw a conclusion on such contentious and sensitive questions. However, it is hoped that during the upcoming talks, ARATS will not avoid questions that are unavoidable so as not to leave a blasting fuse for future disputes. [end recording]

ARATS-SEF Negotiations To Resume in Taipei

OW1712085993 Taipei CNA in English 0810 GMT 17 Dec 93

[By Lillian Lin]

[Text] Taipei, Dec. 17 (CNA)—Cross-Taiwan Strait negotiations between the Taipei-based Straits Exchange Foundation (SEF) and its mainland counterpart the

Association for Relations Across the Taiwan Strait (ARATS) will resume in Taipei Saturday [18 December].

An 11-member ARATS delegation, headed by ARATS Deputy Secretary-General Sun Yafu, is scheduled to arrive in Taipei Friday afternoon.

Saturday's negotiations will be the third round of talks between the two semi-official organizations since the historic meeting between SEF Chairman Ku chen-fu and ARATS Chairman Wang Daohan in Singapore on April 27-29.

In addition to a joint agreement, three agreements were signed upon the conclusion of the Ku-Wang meeting regulating cross-Strait document verification, compensation for lost registered mail, and the establishment of an institutional communication channel.

The two parties also agreed last April on ongoing negotiations with the hope of meeting halfway on a number of controversial cross-Strait issues.

However, SEF and ARATS delegations failed to find common ground on a number of issues during two rounds of negotiations earlier this year in Mainland China.

The Taipei round meeting will focus on repatriation of mainland hijackers and fishery disputes. SEF and ARATS will also discuss easing restrictions on visits of personnel from the two organizations, an issue which the two parties failed to reach agreement on in earlier negotiations.

ARATS has proposed also to include discussion of investment protection for Taiwan investors on the mainland, combating crimes on the high seas, intellectual property rights, cooperation between Taiwan and mainland judicial authorities and science and technology exchanges on the agenda.

On Thursday, SEF, optimistic about the Taipei round negotiations, sent two letters to ARATS Vice Chairman Tang Shubei inviting him to come to Taipei to act as a signatory if any agreements are reached.

CNA Reports on Taipei's GATT Membership Bid

Taipei 'Hoping' To Join

OW1712090793 Taipei CNA in English 0836 GMT 17 Dec 93

[By Y. C. Tsai]

[Text] Taipei, Dec. 17 (CNA)—Taiwan is hoping to become a full member of the General Agreement on Tariffs and Trade (GATT) by the end of next year, Economic Affairs Minister P.K. Chiang said Friday [17 December].

Since the recently concluded Uruguay Round of GATT world trade talks agreed to establish a new world trade

[words indistinct] mid-1995, Chiang pointed out, Taiwan must accelerate efforts in its current bid to join the Geneva-based world trade regulating body.

Under the Uruguay Round accord, all GATT contracting parties are set to become members of the WTO [World Trade Organization], which will be given tougher enforcement powers to supersede GATT.

"Our accession to GATT before 1995 will ensure eventual entry to the WTO," the minister noted. If Taipei fails to enter GATT before 1995, the island will be forced to submit an entirely new application.

Taiwan applied to join GATT in January 1990 and was accepted as an observer in September 1992.

The minister saw higher stakes for Taiwan in future tariff concession negotiations with GATT members following the successful conclusion of the Uruguay Round talks Wednesday.

As Taiwan has promised to add Uruguay round accords on tariff cuts to its consultations with GATT contracting parties, there is great possibility that Taiwan will be asked to slash tariffs even further than expected, he elaborated.

Saying Taiwan residents might have to prepare for an era of lower tariffs, he pledged that the government will do its best to win a reasonable grace period for the transition.

Membership May 'Increase' Trade

OW1712090093 Taipei CNA in English 0815 GMT 17 Dec 93

[By Y. C. Tsai]

[Text] Taipei, Dec. 17 (CNA)—Taiwan stands to gain US\$120 billion in foreign trade in the next decade following the conclusion of the Uruguay Round of world trade talks under the framework of the General Agreement on Tariffs and Trade (GATT).

The Uruguay Round, which concluded Wednesday [15 December], reached agreement on a reform package intended to remove export barriers and thus reinvigorate the world economy.

Huang Yen-chao, director-general of the Board of Foreign Trade (BOFT), said Friday that as global trade is expected to increase by US\$6 trillion over the next 10 years, Taiwan's 2 percent market share could bring in US\$120 billion.

Meanwhile, the new global trade accord is estimated to drive up worldwide gross domestic product (GDP) by US\$5.4 trillion in the 10-year period, in which Taiwan would take about US\$50 billion for its 0.9 percent share, Huang pointed out.

GDP measures the total value of a nation's goods and services but excludes income that people and companies earn abroad, while gross national product (GNP) includes income earned from abroad.

The BOFT head saw good prospects for future world trade, saying the new deal would benefit both developed and developing countries.

Taiwan, though not a full member of GATT, will still gain by the Uruguay Round accord in view of the active role it plays in world trade, he noted.

Taiwan applied to join the Geneva-based world trade regulating body in January 1990 and was admitted as an observer in September 1992. Taiwan is expected to be promoted to a full member of GATT before the end of next year.

Foreign Trade Grows; Trade Surplus Decreases

OW1712092193 Taipei CNA in English 0822 GMT 17 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 17 (CNA)—Taiwan's foreign trade continued to grow in the first 11 months this year, but the trade surplus decreased during the same period, the Directorate General of Customs reported Thursday [16 December].

Taiwan exports totaled US\$78.18 billion in the Jan.-Nov. period, up 4.1 percent from a similar period last year, according to customs statistics.

Aggregate imports in the same period amounted to US\$70.67 billion, up 6.8 percent from 1992, the tallies showed.

The export-import balance left Taiwan with a trade surplus of US\$7.51 billion, a drop of 16 percent from the same period of 1992.

The United States remained Taiwan's major export market by absorbing 27.6 percent or US\$21.57 billion worth of goods in the first 11 months.

Exports to Hong Kong, an entrepot for Taiwan-Mainland China trade, reached US\$16.93 billion or 21.7 percent of the island's total outbound shipments in the period.

European countries as a whole formed the country's third largest export outlet, accounting for 15.1 percent worth US\$11.83 billion of the total exports.

Japan remained Taiwan's largest import source, commanding a 30 percent share of the total inbound shipments, followed by the US with 21.7 percent and Europe at 17.7 percent.

Taiwan's trade surplus with the US, totaling US\$6.26 billion in the Jan.-Nov. period, dropped 14.2 percent

from the corresponding months of 1992, while surplus with Hong Kong jumped 23.9 percent, the tallies showed.

Taiwan suffered deficits with both Japan and Europe for the 11 months of this year, totaling US\$12.9 billion and US\$0.65 billion, respectively.

The island's two-way trade with East Europe grew substantially during 1993, with exports jumping 35 percent to US\$281 million and imports growing a robust 48.3 percent to US\$1.26 billion.

Taiwan saw its biggest export growth in Brazil, exporting 136.6 percent more to the South American country in the first 11 months of this year than during a similar period last year. Exports to Singapore also advanced by 15.9 percent, the customs statistics showed.

Manufactured goods accounted for 95.8 percent of Taiwan's export merchandise, while 70.4 percent of the imports were industrial and agricultural raw materials, customs said.

Hong Kong

Beijing Spokesman Comments on Reform Bill

OW1712090293 Beijing China Radio International in English to Western North America 0400 GMT 17 Dec 93

[From the "Current Affairs" program]

[Excerpt] The Chinese Foreign Ministry said China will not accept any legislation or institution that might be produced by the Hong Kong Legislative Council. The ministry made a statement Thursday [16 December] afternoon one day after Governor Chris Patten's reform bill was partially tabled to the Hong Kong Legislative Council. Li Peichun has more.

[Begin Li recording] In the statement, the Foreign Ministry said Britain took the bill to the council in a unilateral move, despite China's strong opposition and repeated warnings. He said the move marked the end of bilateral talks, and Britain must be held responsible for the consequences. During the ministry's press conference in Beijing, spokesman Wu Jianmin said China has been aware of the possibilities of two results since the beginning of the talks. The country has hoped all along for an agreement, and has done its utmost to bring one about. However, he said what has occurred is against China's wishes.

Wu Jianmin added that in the absence of any agreement between the two governments, China does not accept any legislation which might be adopted by the Legislative Council concerning the 1994/1995 elections in Hong Kong. Moreover, he said no institution thus produced can be carried over after 1997 when China resumes sovereignty over the territory.

The ministry spokesman said China has strong resolve and sufficient ability to resume sovereignty over Hong Kong, and then carry out the policy of "one country, two systems" as well as the Hong Kong Basic Law.

He noted China is intensifying its preparations for this, adding that the recent meeting in Beijing on preparing the smooth transfer of power amounts to a specific act.

When asked whether China has considered taking over Hong Kong early, Wu Jianmin said China is observing developments there. He said senior leader Deng Xiaoping showed foresight eleven years ago when he asserted Hong Kong should be returned earlier if necessary. [passage omitted] [end recording]

'Noted Figures' React to Patten's Electoral Bill

OW1612143493 Beijing XINHUA in English 1424 GMT 16 Dec 93

[Text] Hong Kong, December 16 (XINHUA)—Many noted figures in Hong Kong Wednesday [15 December] strongly criticized the tabling of Governor Chris Patten's partial electoral bill and urged a quicker pace of the work

of the Preliminary Working Committee (PWC) of the Preparatory Committee of the Hong Kong Special Administrative Region.

Leung Chun-ying, Hong Kong co-convenor of the PWC political sub-group, said the tabling of the bill had ended the negotiations and the PWC would certainly start working on suggestions for the formation of the first legislature in Hong Kong after 1997.

Tsang Hin Chi, PWC member, said the British Hong Kong authorities' act was proved to be a fraud, though it claimed it intended to continue negotiations with the Chinese side.

Tsang Yok-sing, also PWC member, said at present the Hong Kong people are even more necessary to cooperate with the Chinese Government, for their interests are all the same: to maintain long-term prosperity and stability in the territory.

He noted as this cooperation has a sound basis, it can fight against any attempt to sabotage stability or create obstacles in Hong Kong.

Cheng Yiu-tong, chairman of the Federation of Trade Unions, said as the Chinese and British sides can no longer continue their cooperation, the Hong Kong people should understand they should bear the responsibility of supervision to ensure a smooth transition.

Xu Ximin, adviser on Hong Kong affairs, said it is necessary to publicize the Basic Law and strengthen unity among the Hong Kong people.

In today's editorial, the TA KUNG PAO said the fact that there would be no "through train" was caused by Patten, as he flagrantly tabled his partial bill to the Legislative Council for discussion and violated the Basic Law, the Sino-British Joint Declaration and the agreements reached.

United Democrats Legislator on Patten Reform Plan

HK1712053293 Hong Kong AFP in English 0503 GMT 17 Dec 93

[Text] Hong Kong, Dec 17 (AFP)—Governor Chris Patten's democratic reform plans will present Beijing with a "fait accompli" that will be hard to undo when Hong Kong reverts to China in 1997, but only if he refrains from watering them down, the leader of Hong Kong's most popular democratic party said Friday. In an interview, Martin Lee of the United Democrats of Hong Kong dismissed threats from Beijing to hold fresh—and potentially disruptive—elections soon after the historic 1997 handover. "China will be given a fait accompli" if Patten's reforms for the last elections under British rule are adopted, Lee said. "It will be presented with a legislature that will not be a rubber stamp of Beijing," he said. "Now Beijing can demolish everything, but I don't think they will do that. I don't think they would because the whole world will be watching."

Lee added, however, that his party—which has 12 of the 18 directly-elected seats in the current 60-seat Legislative Council—still fears Patten will boil down his democratic reforms in the face of Beijing's attacks. He recalled that Patten has yet to declare that he will put all his original reform proposals before the Legislative Council. Key parts of the October 1992 blueprint that would have extended the voting franchise for Hong Kong's last elections before its return to China in 1997 were conceded in August during Sino-British talks that have now broken down. "He's resigning from his original position.... He must introduce the original package as soon as possible," Lee told AFP in an interview, calling it the "bottom line" for his party.

Asked if Patten—seen abroad as a champion of democracy battling a Chinese communist dragon—could be trusted, Lee replied: "I see a big question mark there." "As a lawyer, I would give him the benefit of the doubt. But I'm concerned that at the end of the day, he will be giving to Beijing a legislature (in Hong Kong) that Beijing can control.

Patten's administration on Wednesday put some of the reform proposals before the Legislative Council for debate and adoption, prompting China to call off any further talks with Britain on democratization and threatening penalties against British commercial interests.

Governor To Press for Talks With Beijing

HK1712073093 Hong Kong RTHK Radio Four in English 0500 GMT 17 Dec 93

[From "News at One" program]

[Text] Governor Chris Patten says that he will continue to press China to hold more talks on political reform in Hong Kong. This is despite Beijing's insistence that the negotiations have been ended by Mr Patten's decision to table some of his proposals in the Legislative Council.

[Begin Patten recording] You know perfectly well that for weeks, if not months, I've declined to talk in terms of deadlines... knowing that the Chinese side were well aware of the problems and difficulties we have on the legislative side, and on the administrative side. We're going to proceed with the present bill to the Legislative Council. And in due course, we'll have to come forward with the rest of the measures. But until then, we're very happy to talk to the Chinese side. Indeed, we'll go on pressing, [interrupted by reporters], if you'll let me finish one question before asking others, indeed, we'll go on pressing for talks. [end recording]

Government To Act on 'Non-Political Issues'

HK1712091293 Hong Kong THE STANDARD in English 17 Dec 93 pp 1, 3

[By Michael Smith]

[Text] The government has raised the spectre of taking unilateral action on non-political issues affecting Hong Kong after 1997 if work in the Joint Liaison Group (JLG) remains deadlocked.

Secretary for Constitutional Affairs Michael Sze said yesterday it would be possible for the Hong Kong government to take the drastic step of going it alone on the localization of laws if it had the approval of the Legislative Council.

While the British government has no immediate plans to take the drastic step, Sze raised the possibility for the first time.

His comments came as the Sino-British row intensified following the introduction of Governor Chris Patten's partial constitutional reform bill to the Legislative Council on Wednesday.

The Chinese Foreign Ministry issued a statement yesterday calling off further talks and reiterating earlier threats it would scrap new legislation covering the 1994-95 elections after the transfer of sovereignty.

"In total disregard of the strong opposition and repeated warnings of the Chinese side, the British side went ahead unilaterally with the legislative steps," the statement said.

"The British move marks the end of the negotiation and it must be held responsible for all the serious consequences arising therefrom."

But Sze said Britain would continue to push for an 18th round of talks until it had an official rejection through diplomatic channels. "Here we are dealing in diplomacy, and I do not, and neither does the British government, regard communications by Chinese officials over the airwaves or by the printed media as confirmation," Sze said.

The row had little impact on investor confidence yesterday as the Hang Seng Index soared to a record close of 10,339.66, up 394.40 points, or 3.97 per cent. That smashed the record close of 10,248.59 set on Monday.

Sze said work in the JLG should not be hampered by the political row and called for progress on the hundreds of laws which had to be localized before 1997 to adhere to the Basic Law. "There are very few areas where we can take unilateral action but the only area is on the legislation," Sze said.

"If we have the support of the Legislative Council then the adaptation and localization of laws can be done, but these are very important steps and if we go ahead and do it the repercussions would be really severe and it would lead to comments about whether this is in the best interests of Hong Kong."

Going it alone on JLG issues would reignite the row with China and threaten chances of an agreement on crucial

economic and technical issues, including Container Terminal 9 and the new airport project.

Sze said the legal profession would also be called in to lobby China about the need to speed up progress on the localization of laws. Sze reiterated Britain's threat that Patten's more difficult proposals covering the Legislative Council elections would have to be enacted by July next year.

The strongly worded statement from the Chinese Foreign Ministry said any organization set up in accordance with Patten's partial bill would not be allowed to exist after 30 June 1997.

It denied there had been diplomatic contact with Britain on the issue and said there was no question of resuming the talks.

"Such a unilateral action spelled out the end of the talks and Britain must bear all consequences," the statement said.

Foreign Ministry spokesman Wu Jianmin said the end of political talks would affect the co-operation between the two countries in other areas, including trade.

Wu said China would speed up plans to exercise Chinese sovereignty over the territory after 1997.

"But we would watch attentively the development of the situation.

"The Chinese side had all along hoped for an agreement and had done its utmost toward this end. What has happened now is against our wish."

The Legislative Council's House Committee is expected to establish a bills committee today to scrutinise Patten's partial bill which lowers the voting age to 18, introduces a single-seat single-vote system, and abolishes appointed seats in municipal councils and district boards.

Secretary Calls GATT Agreement 'Beneficial'

HK1712091493 Hong Kong SOUTH CHINA MORNING POST in English 17 Dec 93 p 4

[Report by Amy Chew]

[Text] Trade and industry secretary Brian Chau Tak-hay yesterday welcomed the conclusion of the Uruguay Round of multilateral trade talks and described the agreement as being "beneficial to Hong Kong on the whole."

"Our preliminary assessment of the agreement is that the overall package is acceptable to Hong Kong, although an evaluation of the individual aspects of the package will have to await a detailed analysis.

"Our negotiators are to be congratulated for having done a tremendous job in defending Hong Kong's interest," Mr Chau said.

In Geneva, director-general of trade Tony Miller said the agreement provided for the creation of a new world trade organization.

"It will have a firmer legal basis than the GATT ever had and an enhanced status, putting it on par with the IMF and World Bank," Mr Miller said.

A key objective of Hong Kong and a key element of the agreed package is a stronger dispute settlement system.

"Too many dispute panel decisions have been ignored in the past. The new arrangements provide for enforceable panel decisions.

"This should help police the multilateral trade regime," Mr Miller said.

The package will extend multilateral trade rules to intellectual property and trade in services, which were the key objectives for Hong Kong.

"Achieving them meant breaking new ground in complex areas. Reaching an agreement was extremely difficult," Mr Miller said.

He said the agreement also covered professional services, financial services, transport, maritime and audiovisual services.

On anti-dumping, Mr Miller said the text represented a compromise which met U.S. concerns.

"The package provides for tighter rules and procedures, which is good. And most important, it clarifies the rule of the dispute settlement panel," he said.

He said that while it might now be easier for an industry to initiate a case, nothing would be able to stop uncompetitive industries from trying to get protection.

On tariff reductions and removal of tariff barriers, Hong Kong has agreed to bind at "zero tariff" a range of items which cover about 29 per cent of its imports.

In return, concessions were made by Hong Kong's principal trading partners equivalent to annual tariff savings of more than U.S.\$420 million on imports of Hong Kong-made products.

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